

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT  
GOVERNING BOARD OF TRUSTEES  
[www.mpc.edu/GoverningBoard](http://www.mpc.edu/GoverningBoard)**

**REGULAR MEETING**

**TUESDAY, NOVEMBER 22, 2011**

**NEW BUSINESS ITEMS:  
MONTHLY FINANCIAL REPORTS,  
RESOLUTIONS,  
INFORMATION ITEMS,  
AND CALENDAR OF EVENTS**

1:30pm, Closed Session, Stutzman Seminar Room, LTC  
3:00pm, Regular Meeting, Sam Karas Room, LTC  
980 Fremont Street, Monterey, California 93940

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. A

Fiscal Services  
College Area

### Proposal:

That the Governing Board review and discuss the 2011-2012 Monthly Financial Reports for the period ending October 31, 2011.

### Background:

The Board routinely reviews financial data regarding expenses and revenues to monitor District fiscal operations.

### Budgetary Implications:

None.

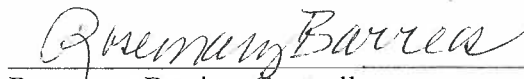
☒ **RESOLUTION: BE IT RESOLVED**, that the 2011-2012 Monthly Financial Reports for the period ending October 31, 2011 be accepted.

Recommended By:



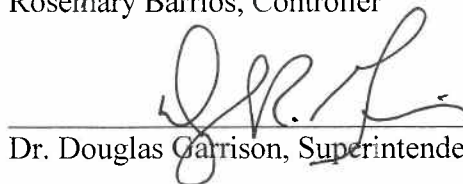
Stephen Ma, Vice President for Administrative Services

Prepared By:



Rosemary Barrios, Controller

Agenda Approval:



Dr. Douglas Garrison, Superintendent/President

**Monterey Peninsula College**  
**Fiscal Year 2011-12**  
**Financial and Budgetary Report**  
**October 31, 2011**

Enclosed please find attached the financial reports for the month ending October 31, 2011 for your review and approval. The financial report is an internal management report submitted to the Board of Trustees to compare actual financial activities to the approved budgets.

Operating Fund net revenue through October 31, 2011 is \$10,150,030 which is 2.2% greater than the same period last fiscal year. Expenditures year-to-date total \$13,828,452 which is 3.7 % less than the same time last fiscal year, for a net difference of -\$3,678,422.

We project the revenue and expenditures within the Operating Fund overall will closely match the budget plan adopted for the 11-12 fiscal year.

**Highlights of financial activities year-to-date are as follows:**

**Revenues**

- The October advanced apportionment payment received was \$3,492,455, which is 10% of the total certified apportionment as reflected in the Unrestricted General Fund.
- The District receives a percentage of the total certified state apportionment revenue each month. The certified state apportionment is the largest revenue source of the District. This makes up 92.4% of the Unrestricted General Fund revenue.
- Most of the local revenue received at this time is in student fees and some prior year taxes.
- The District received in the month of October \$243,487 in prior year receivables which is composed of federal grant funds and \$266,306 in prior year receivables composed of state lottery funds. These monies are reflected in the District's cash balance.
- Funds of \$420,277 were moved from the Unrestricted General Fund to the Restricted General Fund this month therefore the Restricted General Fund revenue is up compared to last month. These monies came in as part of the monthly apportionment payment.
- The District received \$205,320 in current year federal grant funds this month as reflected in the Restricted General Fund.

## **Expenditures**

Overall the District operating funds expenditures continue to track as projected.

### **Self Insurance Fund**

- Self Insurance expenses are at 29.8% of budgeted expenditures. The expenditure amount is 11.10% less than the amount for the same period last fiscal year. No conclusions can be drawn from the rate of current expenses. We will continue to track this fund closely each month.
- Transfer of funds was completed in the month of October from the Unrestricted General Fund to the Self Insurance Fund therefore revenues are up compared to last month. These monies are used to pay District claims for the fiscal year.
- The Medical Premium and Claims Report by Keenan are one month behind what the District is reporting on the District Financial Statements. These reports are reviewed in great detail by the Health & Welfare Cost Containment Committee.

### **Cash Balance:**

The total cash balance for all funds is \$69,938,882 including bond cash of \$52,970,240 and \$16,968,642 for all other funds. Operating funds cash is \$5,873,442. The cash balance is being drawn down but it is sufficient to meet the next month's cash flow needs.

We anticipate property tax receipts in December which will replenish the cash balance account.



# Monterey Peninsula Community College

Monthly Financial Report

October 31, 2011

## Summary of All Funds

<u>Funds</u>	<u>Beginning Fund Balance</u>	<u>Revised Budgets 2011 - 2012</u>		<u>Ending Fund Balance</u>	<u>Year to Date Actual 2011 - 2012</u>			<u>% Actual to Budget</u>		<u>Cash Balance</u>
	<u>07/01/11</u>	<u>Revenue</u>	<u>Expense</u>	<u>6/30/2012</u>	<u>Revenue</u>	<u>Expense</u>	<u>Encumbrances</u>	<u>Rev</u>	<u>Exp</u>	<u>10/31/2011</u>
General - Unrestricted	\$3,763,831	\$37,533,388	\$37,530,148	\$3,767,071	\$8,853,751	\$11,885,093	2,416,912	23.6%	38.1%	\$5,045,567
General - Restricted	0	5,566,376	5,566,374	2	960,479	1,516,795	193,532	17.3%	30.7%	0
Child Dev - Unrestricted	0	560,576	560,576	0	212,082	170,280	0	37.8%	30.4%	47,165
Child Dev - Restricted	0	236,258	236,258	0	0	87,476	13,102	0.0%	42.6%	0
Student Center	214,409	275,200	264,229	225,380	27,882	32,468	54,622	10.1%	33.0%	382,199
Parking	92,179	469,000	464,458	96,721	95,836	136,340	13,332	20.4%	32.2%	398,511
<b>Subtotal Operating Funds</b>	<b>\$4,070,419</b>	<b>\$44,640,798</b>	<b>\$44,622,043</b>	<b>\$4,089,174</b>	<b>\$10,150,030</b>	<b>\$13,828,452</b>	<b>\$2,691,500</b>	22.7%	31.0%	<b>\$5,873,442</b>
Self Insurance	9,327,145	6,886,665	7,477,624	8,736,186	1,763,820	2,184,632	40,506	25.6%	29.8%	9,534,636
Capital Project	812,067	3,216,400	3,914,852	113,615	91,194	84,417	104,086	2.8%	4.8%	659,375
Building	54,046,985	200,000	39,371,502	14,875,483	0	2,988,824	22,199,248	0.0%	64.0%	52,970,240
Debt Service	103,491	275,324	275,324	103,491	275,324	137,662	137,662	100.0%	50.0%	188,372
Revenue Bond	20,905	18,975	18,975	20,905	0	17,100	1,875	0.0%	90.1%	4,396
Associated Student	16,122	122,000	122,000	16,122	31,069	18,496	0	25.5%	15.2%	70,213
Financial Aid	12,881	5,500,000	5,500,000	12,881	991,074	991,074	0	18.0%	18.0%	61,647
Scholarship & Loans	272,948	2,850,000	2,850,000	272,948	519,386	443,305	0	18.2%	15.6%	292,682
Trust Funds	293,917	589,000	589,000	293,917	202,775	113,860	0	34.4%	19.3%	283,879
Orr Estate	61,262	50,000	40,000	71,262	3,084	14,230	0	6.2%	35.6%	0
<b>Total all Funds</b>	<b>\$69,038,142</b>	<b>\$64,349,162</b>	<b>\$104,781,320</b>	<b>\$28,605,984</b>	<b>\$14,027,756</b>	<b>\$20,822,052</b>	<b>\$25,174,877</b>	<b>21.8%</b>	<b>19.9%</b>	<b>\$69,938,882</b>

## \*\*\* BOARD REPORT \*\*\*

## GENERAL FUND (Unrestricted)

Fund 01

## Monterey Peninsula College

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12					Y-T-D ACTUAL TO BUDGET
		REVISED BUDGET	CURRENT REVENUE	Y-T-D REVENUE		BALANCE	
<b>REVENUES</b>							
8100 FEDERAL	11,357	10,700	0	0		10,700	0.0%
8600 STATE	23,414,545	20,561,741	3,077,557	7,993,363		12,568,378	38.9%
8800 COUNTY / LOCAL	17,214,510	16,960,947	327,554	860,387		16,100,560	5.1%
8900 INTERFUND TRANSFER IN	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	N/A
<b>TOTAL REVENUE :</b>	<b><u>\$40,690,413</u></b>	<b><u>\$37,533,388</u></b>	<b><u>\$3,405,111</u></b>	<b><u>\$8,853,751</u></b>		<b><u>\$28,679,637</u></b>	<b>23.6%</b>
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES		UNENCUMBERED BALANCE	PERCENT
<b>CERTIFICATED SALARIES</b>							
1100 TEACHER SALARIES	6,879,593	5,926,372	548,069	1,599,114		4,327,258	27.0%
1200 NON TEACHER SALARIES	2,952,928	2,842,030	251,823	829,910		2,012,120	29.2%
1300 HOURLY TEACHER	4,919,371	4,818,084	504,927	1,741,309		3,076,775	36.1%
1400 OTHER HOURLY SALARIES	<u>140,700</u>	<u>199,718</u>	<u>20,288</u>	<u>52,159</u>		<u>147,559</u>	26.1%
<b>TOTAL CERTIFICATED :</b>	<b><u>\$14,892,592</u></b>	<b><u>\$13,786,204</u></b>	<b><u>\$1,325,107</u></b>	<b><u>\$4,222,491</u></b>		<b><u>\$9,563,712</u></b>	<b>30.6%</b>
<b>CLASSIFIED SALARIES</b>							
2100 NON INSTRUCTIONAL	5,773,865	5,641,477	473,597	1,905,185		3,736,292	33.8%
2200 INSTRUCTIONAL AIDES	754,063	783,628	62,086	222,340		561,288	28.4%
2300 HOURLY NON INSTRUCTIONAL	387,886	264,240	52,587	210,560		53,680	79.7%
2400 HOURLY INSTRUCTIONAL	<u>677,838</u>	<u>638,522</u>	<u>69,440</u>	<u>200,602</u>		<u>437,919</u>	31.4%
	<b><u>\$7,593,652</u></b>	<b><u>\$7,327,867</u></b>	<b><u>\$657,710</u></b>	<b><u>\$2,538,688</u></b>		<b><u>\$4,789,180</u></b>	<b>34.6%</b>

**\*\*\* BOARD REPORT \*\*\***

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**GENERAL FUND (Unrestricted) continued**

Fund 01

**Monterey Peninsula College**

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12					
		REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	PERCENT
<b>3XXX TOTAL FRINGE BENEFITS :</b>	<b><u>\$4,417,020</u></b>	<b><u>\$4,696,390</u></b>	<b><u>\$628,927</u></b>	<b><u>\$1,642,472</u></b>	<b><u>\$578,775</u></b>	<b><u>\$2,475,143</u></b>	<b>47.3%</b>
<b><u>SUPPLIES &amp; OTHER</u></b>							
4300 INSTRUCTIONAL SUPPLIES	267,033	231,155	11,883	31,631	33,842	165,682	28.3%
4500 OTHER SUPPLIES	491,230	349,806	47,336	112,892	98,830	138,085	60.5%
4700 FOOD	9,760	4,225	0	289	0	3,936	6.8%
<b>TOTAL SUPPLIES &amp; OTHER :</b>	<b><u>\$768,023</u></b>	<b><u>\$585,186</u></b>	<b><u>\$59,219</u></b>	<b><u>\$144,812</u></b>	<b><u>\$132,672</u></b>	<b><u>\$307,703</u></b>	<b>47.4%</b>
<b><u>OTHER</u></b>							
5100 CONTRACTED SERVICES	2,121,792	1,597,740	133,120	201,865	326,779	1,069,096	33.1%
5200 TRAVEL	170,358	145,791	10,376	21,691	13,505	110,596	24.1%
5300 DUES AND SUBSCRIPTIONS	138,788	120,944	3,500	107,973	2,975	9,996	91.7%
5400 INSURANCE	326,944	335,300	8,232	346,733	0	(11,433)	103.4%
5500 UTILITIES & HOUSEKEEPING	1,090,953	1,186,585	93,018	265,956	1,016,035	(95,406)	108.0%
5600 RENTS & LEASES	639,219	612,482	88,318	266,386	166,798	179,298	70.7%
5700 LEGAL AND AUDIT	102,924	303,455	1,276	2,487	19,819	281,149	7.4%
5800 OTHER SERVICES	305,054	485,267	(9,342)	117,378	153,735	214,155	55.9%
<b>TOTAL OTHER :</b>	<b><u>\$4,896,031</u></b>	<b><u>\$4,787,564</u></b>	<b><u>\$328,497</u></b>	<b><u>\$1,330,468</u></b>	<b><u>\$1,699,645</u></b>	<b><u>\$1,757,451</u></b>	<b>63.3%</b>
<b><u>CAPITAL OUTLAY</u></b>							
6200 BUILDING IMPROVEMENT	31,899	23,001	31	1,024	4,333	17,644	23.3%
6300 CAPITAL BOOKS & SOFTWARE	45,513	137,530	67,530	67,530	0	70,000	49.1%
6400 EQUIPMENT	86,835	27,255	0	3,949	1,488	21,818	19.9%
<b>TOTAL CAPITAL OUTLAY :</b>	<b><u>\$164,247</u></b>	<b><u>\$187,786</u></b>	<b><u>\$67,561</u></b>	<b><u>\$72,503</u></b>	<b><u>\$5,821</u></b>	<b><u>\$109,462</u></b>	<b>41.7%</b>
<b><u>TRANSFERS</u></b>							
7300 INTERFUND TRANSFER OUT	6,656,331	6,159,152	1,476,727	1,933,660	0	4,225,492	31.4%
<b>TOTAL TRANSFERS :</b>	<b><u>\$6,656,331</u></b>	<b><u>\$6,159,152</u></b>	<b><u>\$1,476,727</u></b>	<b><u>\$1,933,660</u></b>	<b><u>\$0</u></b>	<b><u>\$4,225,492</u></b>	<b>31.4%</b>
<b>TOTAL EXPENSE &amp; TRANSFERS :</b>	<b><u>39,387,897</u></b>	<b><u>37,530,148</u></b>	<b><u>4,543,749</u></b>	<b><u>11,885,093</u></b>	<b><u>2,416,912</u></b>	<b><u>23,228,142</u></b>	<b>38.1%</b>
<b>REVENUE OVER EXPENSE :</b>	<b><u>\$1,302,516</u></b>	<b><u>\$3,240</u></b>	<b><u>(\$1,138,638)</u></b>	<b><u>(\$3,031,342)</u></b>	<b><u>(\$2,416,912)</u></b>	<b><u>\$5,451,495</u></b>	

\*\*\* BOARD REPORT \*\*\*

GENERAL FUND (Restricted)

Fund 01

Monterey Peninsula College

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-2012					Y-T-D ACTUAL TO BUDGET
		REVISED BUDGET	CURRENT REVENUE	Y-T-D REVENUE		BALANCE	
<b>REVENUES</b>							
8100 FEDERAL	1,566,098	2,409,211	440,340	440,340	0	1,968,871	18.3%
8600 STATE	2,578,855	2,432,931	420,227	420,227	0	2,012,704	17.3%
8800 COUNTY / LOCAL	707,127	657,113	21,966	99,912	0	557,201	15.2%
8900 INTERFUND TRANSFER IN	67,384	67,121	0	0	0	67,121	0.0%
TOTAL REVENUE :	\$4,919,464	\$5,566,376	\$882,533	\$960,479	0	\$4,605,897	17.3%
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES		UNENCUMBERED BALANCE	PERCENT
<b>CERTIFICATED SALARIES</b>							
1100 TEACHER SALARIES	112,083	46,390	4,651	13,701	0	32,689	29.5%
1200 NON TEACHER SALARIES	870,821	963,555	86,237	300,061	0	663,494	31.1%
1300 HOURLY TEACHER	73,988	56,983	10,213	26,369	0	30,614	46.3%
1400 OTHER HOURLY SALARIES	188,510	206,905	20,371	72,128	0	134,777	34.9%
TOTAL CERTIFICATED :	\$1,245,402	\$1,273,833	\$121,472	\$412,259	\$0	\$861,574	32.4%
<b>CLASSIFIED SALARIES</b>							
2100 NON INSTRUCTIONAL	552,431	563,778	47,690	194,724	0	369,054	34.5%
2300 HOURLY NON INSTRUCTIONAL	386,196	351,827	31,490	114,066	0	237,761	32.4%
2400 HOURLY INSTRUCTIONAL	158,574	182,454	12,344	50,507	0	131,947	27.7%
TOTAL CLASSIFIED :	\$1,097,201	\$1,098,059	\$91,524	\$359,297	\$0	\$738,762	32.7%

\*\*\* BOARD REPORT \*\*\*  
**GENERAL FUND (Restricted) continued**  
Fund 01  
**Monterey Peninsula College**

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OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-2012					
		REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	PERCENT
<b>3XXX TOTAL FRINGE BENEFITS :</b>	<b><u>\$384,533</u></b>	<b><u>\$414,444</u></b>	<b><u>\$36,799</u></b>	<b><u>\$138,235</u></b>	<b><u>\$0</u></b>	<b><u>\$276,209</u></b>	<b>33.4%</b>
<b><u>SUPPLIES &amp; OTHER</u></b>							
4300 INSTRUCTIONAL SUPPLIES	54,584	122,907	3,599	9,263	500	113,144	7.9%
4500 OTHER SUPPLIES	53,119	65,364	2,264	5,415	2,888	57,061	12.7%
4700 FOOD	26,841	18,000	379	4,490	0	13,510	24.9%
<b>TOTAL SUPPLIES &amp; OTHER :</b>	<b><u>\$134,544</u></b>	<b><u>\$206,271</u></b>	<b><u>\$6,242</u></b>	<b><u>\$19,168</u></b>	<b><u>\$3,388</u></b>	<b><u>\$183,715</u></b>	<b>10.9%</b>
<b><u>OTHER</u></b>							
5100 CONTRACTED SERVICES	631,905	702,304	60,567	130,196	162,798	409,310	41.7%
5200 TRAVEL	479,069	503,662	14,632	95,238	1,000	407,424	19.1%
5300 DUES AND SUBSCRIPTIONS	1,320	700	400	625	0	75	89.3%
5400 INSURANCE	68,467	44,207	0	43,639	0	568	98.7%
5500 UTILITIES & HOUSEKEEPING	355	500	30	90	310	100	80.0%
5600 RENTS & LEASES	35,290	11,518	4,476	7,566	3,204	748	93.5%
5800 OTHER SERVICES	139,241	240,189	33,004	83,364	4,000	152,825	36.4%
<b>TOTAL OTHER :</b>	<b><u>\$1,355,647</u></b>	<b><u>\$1,503,080</u></b>	<b><u>\$113,109</u></b>	<b><u>\$360,718</u></b>	<b><u>\$171,312</u></b>	<b><u>\$971,050</u></b>	<b>35.4%</b>
<b><u>CAPITAL OUTLAY</u></b>							
6300 CAPITAL BOOKS & SOFTWARE	18,266	0	0	0	0	0	0.0%
6400 EQUIPMENT	174,144	236,403	10,207	32,340	18,832	185,231	21.6%
<b>TOTAL CAPITAL OUTLAY :</b>	<b><u>\$192,410</u></b>	<b><u>\$236,403</u></b>	<b><u>\$10,207</u></b>	<b><u>\$32,340</u></b>	<b><u>\$18,832</u></b>	<b><u>\$185,231</u></b>	<b>21.6%</b>
<b><u>TRANSFERS</u></b>							
7300 INTERFUND TRANSFER OUT	589,703	566,507	46,966	187,878	0	378,629	33.2%
7500 STUDENT FINANCIAL AID PYMT	17,505	42,640	0	4,900	0	37,740	11.5%
7600 OTHER PYMTS TO STUDENTS	127,015	225,137	0	2,000	0	223,137	0.9%
<b>TOTAL TRANSFERS :</b>	<b><u>\$734,223</u></b>	<b><u>\$834,284</u></b>	<b><u>\$46,966</u></b>	<b><u>\$194,778</u></b>	<b><u>\$0</u></b>	<b><u>\$639,506</u></b>	<b>23.3%</b>
<b>TOTAL EXPENSE &amp; TRANSFERS :</b>	<b><u>5,143,960</u></b>	<b><u>5,566,374</u></b>	<b><u>426,319</u></b>	<b><u>1,516,795</u></b>	<b><u>193,532</u></b>	<b><u>3,856,047</u></b>	<b>30.7%</b>
<b>REVENUE OVER EXPENSE :</b>	<b><u>(\$224,496)</u></b>	<b><u>\$2</u></b>	<b><u>\$456,214</u></b>	<b><u>(\$556,316)</u></b>	<b><u>(\$193,532)</u></b>	<b><u>\$749,850</u></b>	

\*\*\* BOARD REPORT \*\*\*  
Child Development Fund  
Fund 04 Unrestricted  
Monterey Peninsula College  
October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-2012				BALANCE DUE	Y-T-D ACTUAL TO BUDGET
		REVISED BUDGET	CURRENT REVENUE	Y-T-D REVENUE			
<b>REVENUE</b>							
8660 Cal Early Childhood Mentor Prog	-46.17	0	0	0	0	0	0.0%
8800 LOCAL	72,745	279,598	3,645	6,391	0	273,207	2.3%
8900 OTHER	466,158	280,978	75,287	205,691	0	75,287	73.2%
TOTAL REVENUE:	538,857	560,576	78,932	212,082	0	348,494	37.8%
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
<b>CLASSIFIED SALARIES</b>							
2100 NON INSTRUCTIONAL	112,212	97,875	9,542	37,448	0	60,427	38.3%
2200 INSTRUCTIONAL AIDES	121,952	155,155	14,528	41,746	0	113,409	26.9%
2300 NON INSTRUCTIONAL TEMP	8,641	10,329	814	1,953	0	8,376	0.0%
2400 HOURLY INSTRUCTIONAL	58,457	71,465	6,025	16,910	0	54,555	23.7%
TOTAL CLASSIFIED:	301,262	334,824	30,909	98,057	0	236,767	29.3%
3XXX TOTAL FRINGE BENEFITS :	72,054	84,230	7,635	25,715	0	58,515	30.5%
<b>SUPPLIES &amp; OTHER</b>							
4300 INSTRUCTIONAL SUPPLIES	0	270	0	0	0	270	0.0%
4500 OTHER SUPPLIES	0	1,493	0	0	0	1,493	0.0%
TOTAL SUPPLIES & OTHER:	0	1,763	0	0	0	1,763	0.0%
<b>OTHER</b>							
5400 INSURANCE	0	0	0	0	0	0	0.0%
5600 RENTS. LEASES. AND REPAIRS	660	0	0	0	0	0	0.0%
TOTAL OTHER :	660	0	0	0	0	0	0.0%
<b>TRANSFERS</b>							
7300 INTERFUND TRANSFER OUT	141,713	139,759	11,627	46,508	0	93,251	33.3%
TOTAL TRANSFERS:	141,713	139,759	11,627	46,508	0	93,251	33.3%
TOTAL EXPENSE & TRANSFER:	515,689	560,576	50,171	170,280	0	390,296	30.4%
REVENUE OVER EXPENSE :	23,168	0	28,761	41,802	0	(\$41,802)	

\*\*\* BOARD REPORT \*\*\*  
Child Development Fund  
Fund 04 Restricted  
Monterey Peninsula College  
October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-2012					
		REVISED BUDGET	CURRENT REVENUE	Y-T-D REVENUE		BALANCE DUE	Y-T-D ACTUAL TO BUDGET
<b>REVENUE</b>							
8100 FEDERAL	71,440	22,068	0	0	0	22,068	0.0%
8690 STATE	234,756	214,190	0	0	0	214,190	0.0%
TOTAL REVENUE:	<u>\$306,196</u>	<u>\$236,258</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$236,258</u>	<u>0.0%</u>
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
<b>CLASSIFIED SALARIES</b>							
2100 NON INSTRUCTIONAL	0	(6,885)	0	0	0	(6,885)	0.0%
2200 INSTRUCTIONAL AIDES	123,462	117,892	11,444	35,114	0	82,778	29.8%
2300 HOURLY NON INSTRUCTIONAL	2,118	0	0	775	0	(775)	0.0%
2400 HOURLY INSTRUCTIONAL	4,000	0	0	8,525	0	(8,525)	0.0%
TOTAL CLASSIFIED:	<u>\$129,580</u>	<u>\$111,007</u>	<u>\$11,444</u>	<u>\$44,414</u>	<u>\$0</u>	<u>\$66,593</u>	<u>40.0%</u>
3XXX TOTAL FRINGE BENEFITS :	<u>\$36,438</u>	<u>\$33,504</u>	<u>\$3,454</u>	<u>\$12,705</u>	<u>\$0</u>	<u>\$20,799</u>	<u>37.9%</u>
<b>SUPPLIES &amp; OTHER</b>							
4300 INSTRUCTIONAL SUPPLIES	2,828	0	0	0	0	0	0.0%
4500 OTHER SUPPLIES	2,906	835	236	1,141	1,500	(1,806)	136.6%
4700 FOOD	19,182	16,400	2,558	6,198	11,602	(1,400)	37.8%
TOTAL SUPPLIES & OTHER:	<u>\$24,916</u>	<u>\$17,235</u>	<u>\$2,794</u>	<u>\$7,339</u>	<u>\$13,102</u>	<u>(\$3,206)</u>	<u>42.6%</u>
<b>OTHER</b>							
5400 INSURANCE	0	200	0	0	0	200	0.0%
5600 RENTS & LEASES	0	0	0	0	0	0	0.0%
5800 OTHER SERVICES	510	190	0	0	0	190	0.0%
TOTAL OTHER :	<u>\$510</u>	<u>\$390</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$390</u>	<u>0.0%</u>
<b>Sites and Site Improvements</b>							
6105 RENOVATION & REPAIR	<u>\$2,525</u>	<u>\$5,068</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,068</u>	<u>0.0%</u>
	<u>\$2,525</u>	<u>\$5,068</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,068</u>	<u>0.0%</u>
<b>TRANSFERS</b>							
7300 INTERFUND TRANSFER OUT	72,715	69,054	5,755	23,018	0	46,036	33.3%
TOTAL TRANSFERS:	<u>\$72,715</u>	<u>\$69,054</u>	<u>\$5,755</u>	<u>\$23,018</u>	<u>\$0</u>	<u>\$46,036</u>	<u>33.3%</u>
TOTAL EXPENSE & TRANSFER:	<u>\$266,684</u>	<u>\$236,258</u>	<u>\$23,447</u>	<u>\$87,476</u>	<u>\$13,102</u>	<u>\$135,680</u>	<u>42.6%</u>
REVENUE OVER EXPENSE :	<u>\$39,512</u>	<u>\$0</u>	<u>(\$23,447)</u>	<u>(\$87,476)</u>	<u>(\$13,102)</u>	<u>\$100,578</u>	



## \*\*\* BOARD REPORT \*\*\*

## COLLEGE CENTER FUND

Fund 47

## Monterey Peninsula College

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12						Y-T-D ACTUAL TO BUDGET
		REVISED BUDGET	CURRENT REVENUE	Y-T-D REVENUE		BALANCE DUE		
REVENUE								
8800 COUNTY / LOCAL	257,622	275,200	11,667	27,882		247,318	10.1%	
8860 INTEREST	56	0	0	0		0	N/A	
TOTAL REVENUE :	\$257,677	\$275,200	\$11,667	\$27,882		\$247,318	10.1%	
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET	
CLASSIFIED								
2100 NON INSTRUCTIONAL	19,486	20,634	1,735	6,789	0	13,845	32.9%	
2300 HOURLY NON INSTRUCTIONA	56	0	0	0	0	0	N/A	
TOTAL CLASSIFIED :	\$19,543	\$20,634	\$1,735	\$6,789	\$0	\$13,845	32.9%	
3XXX TOTAL FRINGE BENEFITS :	\$5,766	\$6,228	\$524	\$2,049	\$0	\$4,179	32.9%	
SUPPLIES & OTHER								
4500 OTHER SUPPLIES	(12)	1,150	145	145	149	857	25.5%	
TOTAL SUPPLIES & OTHER :	(\$12)	\$1,150	\$145	\$145	\$149	\$857	25.5%	
OTHER								
5100 CONTRACT SERVICES	0	0	0	0	0	0	0.0%	
5200 TRAVEL	125	1,500	0	75	0	1,425	5.0%	
5300 MEMBERSHIP	75	75	0	0	0	75	0.0%	
5400 INSURANCE	17,545	17,545	0	0	0	17,545	0.0%	
5500 UTILITIES & HOUSEKEEPING	109,359	150,763	5,243	13,545	53,574	83,644	44.5%	
5600 RENTS & LEASES	3,278	10,020	0	937	900	8,183	18.3%	
5800 OTHER SERVICES	5,000	5,000	0	5,000	0	0	100.0%	
TOTAL OTHER :	\$135,382	\$184,903	\$5,243	\$19,557	\$54,474	\$110,872	40.0%	
CAPITAL OUTLAY								
6400 EQUIPMENT	5,650	3,000	0	0	0	3,000	0.0%	
TOTAL CAPITAL OUTLAY :	\$5,650	\$3,000	\$0	\$0	\$0	\$3,000	0.0%	
TRANSFERS								
7100 DEBT RETIREMENT	19,425	18,975	0	0	0	18,975	0.0%	
7300 INTERFUND TRANSFER	12,265	29,339	3,928	3,928	0	25,411	13.4%	
TOTAL TRANSFERS :	\$31,690	\$48,314	\$3,928	\$3,928	\$0	\$44,386	8.1%	
TOTAL EXPENSE & TRANSFERS :	\$198,018	\$264,229	\$11,574	\$32,468	\$54,622	\$177,139	33.0%	
REVENUE OVER EXPENSE :	\$59,659	\$10,971	\$93	(\$4,586)	(\$54,622)	\$70,179		



\*\*\* BOARD REPORT \*\*\*  
 Parking Fund  
 Fund 39  
 Monterey Peninsula College  
 October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-2012					BALANCE	Y-T-D ACTUAL TO BUDGET
		REVISED BUDGET	CURRENT REVENUE	Y-T-D REVENUE				
REVENUE								
8800 COUNTY / LOCAL	676,162	469,000	52,453	95,836		0	373,164	20.4%
TOTAL REVENUE:	\$676,162	\$469,000	\$52,453	\$95,836		\$0	\$373,164	20.4%
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET	
CLASSIFIED SALARIES								
2100 NON INSTRUCTIONAL	145,764	153,368	16,234	62,146	0	91,222	40.5%	
2300 HOURLY NON INSTRUCTIONAL	9,610	48,313	4,848	7,601	0	40,712	15.7%	
TOTAL CLASSIFIED :	\$155,374	\$201,681	\$21,082	\$69,747	\$0	\$131,934	34.6%	
3XXX TOTAL FRINGE BENEFITS :	\$42,926	\$57,171	\$5,827	\$19,847	\$0	\$37,324	34.7%	
SUPPLIES & OTHER								
4500 OTHER SUPPLIES :	\$9,366	11,400	0	335	0	11,065	2.9%	
TOTAL SUPPLIES & OTHER:	\$9,366	\$11,400	\$0	\$335	\$0	\$11,065	2.9%	
OTHER								
5100 CONTRACTS	46,800	0	0	0	0	0	0.0%	
5200 TRAVEL & CONFERENCE	0	0	0	0	0	0	0.0%	
5500 UTILITIES & HOUSEKEEPING	1,545	3,500	132	396	1,204	1,900	0.0%	
5600 RENTS & LEASES	17,380	54,777	0	5,586	0	49,191	10.2%	
TOTAL OTHER:	\$65,725	\$58,277	\$132	\$5,982	\$1,204	\$51,091	10.3%	
CAPITAL OUTLAY								
6400 EQUIPMENT	1,284	26,957	0	9,005	12,128	5,824	33.4%	
TOTAL CAPITAL OUTLAY:	\$1,284	\$26,957	\$0	\$9,005	\$12,128	\$5,824	33.4%	
TRANSFERS								
7300 INTERFUND TRANSFER OUT	97,335	108,972	7,856	31,424	0	77,548	28.8%	
TOTAL TRANSFERS:	\$97,335	\$108,972	\$7,856	\$31,424	\$0	\$77,548	28.8%	
TOTAL EXPENSE & TRANSFER:	\$372,010	\$464,458	\$34,897	\$136,340	\$13,332	\$314,786	32.2%	
REVENUE OVER EXPENSE :	\$304,152	\$4,542	\$17,556	(\$40,504)	(\$13,332)	\$58,378		

## \*\*\* BOARD REPORT \*\*\*

Self Insurance Fund  
Fund 35  
Monterey Peninsula College

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12					
		REVISED BUDGET	CURRENT REVENUES	Y-T-D REVENUES		UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
REVENUE							
8800 COUNTY / LOCAL	634,428	520,765	11,619	69,624		451,141	13.4%
8860 INTEREST	6,371	0	0	0		0	N/A
8900 INTERFUND TRANSFER IN	6,711,957	6,365,900	1,477,571	1,694,196		4,671,704	26.6%
TOTAL REVENUE :	\$7,352,756	\$6,886,665	\$1,489,190	\$1,763,820		\$5,122,845	25.6%
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURE	Y-T-D EXPENDITURE	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
3XXX TOTAL FRINGE BENEFITS	\$6,220,763	\$6,826,716	\$453,888	\$2,171,155	\$4,500	\$4,651,061	31.9%
4500 NON-INSTRUCTIONAL SUPPLIES	\$2,196	\$0	\$0	\$0	\$0	\$0	N/A
OTHER							
5100 CONTRACTED SERVICES	4,757	0	194	13,478	36,006	(49,484)	N/A
5800 OTHER SERVICES	0	0	0	0	0	0	N/A
TOTAL OTHER :	\$4,757	\$0	\$194	\$13,478	\$36,006	(\$49,484)	N/A
INTERFUND TRANSFER OUT							
7300 TRANSFER OUT	0	650,908	0	0	0	650,908	N/A
TOTAL EXPENSE :	\$6,227,716	\$7,477,624	\$454,082	\$2,184,632	\$40,506	\$4,601,578	29.8%
REVENUE OVER EXPENSE :	\$1,125,040	(\$590,959)	\$1,035,109	(\$420,812)	(\$40,506)	\$521,267	

## \*\*\* BOARD REPORT \*\*\*

**Capital Projects Fund  
Fund 14  
Monterey Peninsula College**

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12					
		REVISED BUDGET	CURRENT REVENUES	Y-T-D REVENUES		UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
<b>REVENUES</b>							
8600 STATE	-170	3,108,000	0	0	0	3,108,000	0.0%
8800 COUNTY / LOCAL	156,505	44,492	1,964	39,989	41952.94	4,503	89.9%
8900 INTERFUND TRANSFER IN	84,705	63,908	0	51,205	51205	12,703	80.1%
<b>TOTAL REVENUE :</b>	<b>\$241,040</b>	<b>\$3,216,400</b>	<b>1,964</b>	<b>91,194</b>		<b>\$3,125,206</b>	<b>2.8%</b>
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURE	Y-T-D EXPENDITURE	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
<b>SUPPLIES</b>							
4300 INSTRUCTIONAL SUPPLIES	13,425	12,703	862	904	1,766	10,033	7.1%
4500 NON-INSTRUCTIONAL SUPPLIE	51,391	5,210	2,048	20,921	22,969	(38,680)	401.6%
<b>TOTAL OTHER :</b>	<b>\$64,815</b>	<b>\$17,913</b>	<b>\$2,910</b>	<b>\$21,825</b>	<b>\$24,735</b>	<b>(\$28,647)</b>	<b>259.9%</b>
<b>OTHER</b>							
5100 CONTRACTED SERVICES	4,140	63,803	0	600	600	62,603	0.9%
5400 INSURANCE	51,205	51,205	0	51,205	51,205	(51,205)	100.0%
5600 RENTS, LEASES, REPAIRS	24,507	11,200	4,294	6,807	11,100	(6,707)	60.8%
5700 LEGAL,ELECTION, AND AUDIT	0	6,327	0	0	0	6,327	0.0%
<b>TOTAL OTHER :</b>	<b>\$79,852</b>	<b>\$132,535</b>	<b>\$4,294</b>	<b>\$58,612</b>	<b>\$62,905</b>	<b>\$11,018</b>	<b>91.7%</b>
<b>CAPITAL OUTLAY</b>							
6100 SITES	0	57,691	0	0	0	57,691	0.0%
6200 BUILDING IMPROVEMENTS	0	3,108,000	0	0	0	3,108,000	0.0%
6400 EQUIPMENT	224,650	85,390	12,465	3,980	16,445	64,964	4.7%
<b>TOTAL CAPITAL OUTLAY :</b>	<b>\$224,650</b>	<b>\$3,251,081</b>	<b>\$12,465</b>	<b>\$3,980</b>	<b>\$16,445</b>	<b>\$3,230,655</b>	<b>0.6%</b>
<b>INTERFUND TRANSFER OUT</b>							
7300 TRANSFER OUT	50,000	513,323	0	0	0	513,323	N/A
<b>TOTAL EXPENSE :</b>	<b>\$419,317</b>	<b>\$3,914,852</b>	<b>\$19,669</b>	<b>\$84,417</b>	<b>\$104,086</b>	<b>\$3,213,026</b>	<b>4.8%</b>
<b>REVENUE OVER EXPENSE :</b>	<b>\$178,277</b>	<b>\$698,452</b>	<b>(\$17,705)</b>	<b>\$6,777</b>	<b>\$104,086</b>	<b>\$3,304,220</b>	

BUILDING

**Building Fund  
Fund 48  
Monterey Peninsula College**

October 31, 2011

BOND PROJECTS	REVISED PROJECT BUDGET	2011-12		
		PURCHASE ORDER OUTSTANDING	2011-2012 PAYMENTS	BUDGET BALANCE BUDGET-PO'S-PYMT
1. Furniture & Equipment	\$1,384,614	26,598	349,007	\$1,009,009
2. Humanities, Bus Hum - Student Services Buildi	\$2,569,000	4,430,403	315,261	-\$2,176,664
3. Infrastructure 3 / Miscellaneous	\$2,315,700	391,127	718,214	\$1,206,359
4. Life Science & Physical Science	\$7,040,730	8,040,579	360,427	-\$1,360,276
5. Marina Education Center	\$4,534,109	360,726	287,456	\$3,885,927
6. PE Phase II - Gym/Locker Room	\$2,415,410	59,400	5,968	\$2,350,042
7. Physical Science Building	\$9,705,029	0	0	\$9,705,029
8. Pool/ Tennis Courts	\$381,100	0	0	\$381,100
9. Student Services Building	\$500,000	152,645	205,122	\$142,233
10. Swing Space	\$397,325	217,349	475,351	-\$295,375
11. Theater Building	\$8,128,485	8,361,400	183,254	-\$416,169
12. General Institutional Bond Management	\$0	159,021	88,764	-\$247,785
<b>Total Bond Projects:</b>	<b>\$39,371,502</b>	<b>\$22,199,248</b>	<b>\$2,988,824</b>	<b>\$14,183,430</b>
<b>Initial Bond Funds Received 6/30/03</b>		<b>\$40,000,000</b>		
<b>County office interest Received from inception</b>		<b>\$5,774,241</b>		
<b>LAIF interest from inception</b>		<b>\$1,514,006</b>		
<b>Bond Refinancing 05-06</b>		<b>\$4,240,051</b>		
<b>Bond Funds Received 1/24/08</b>		<b>\$104,999,300</b>		
<b>Lehman Brothers Investment loss</b>		<b>(\$1,878,835)</b>		
<b>Balance Used in 11-12</b>		<b>(\$2,988,824)</b>		
<b>Balance Used in 10-11</b>		<b>(\$16,422,183)</b>		
<b>Balance Used in 09-10</b>		<b>(\$13,542,031)</b>		
<b>Balance Used in 08-09</b>		<b>(\$16,415,556)</b>		
<b>Balance Used in 07-08</b>		<b>(\$19,317,846)</b>		
<b>Balance Used in 06-07</b>		<b>(\$20,713,267)</b>		
<b>Balance Used in 05-06</b>		<b>(\$7,641,016)</b>		
<b>Balance Used in 04-05</b>		<b>(\$2,815,134)</b>		
<b>Balance Used in 03-04</b>		<b>(\$2,626,246)</b>		
<b>Balance Used in 02-03</b>		<b>(\$625,834)</b>		
<b>FY 11-12 ytd expense</b>		<b>(\$2,988,824)</b>		
<b>Available Bond Funds</b>		<b>\$48,552,002</b>		

## \*\*\* BOARD REPORT \*\*\*

**Other Debt Service Fund**  
**Fund 29**  
**Monterey Peninsula College**

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12					
		REVISED BUDGET	CURRENT REVENUES	Y-T-D REVENUES		UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
REVENUES							
8600 STATE	0	0	0	0		0	N/A
8860 LOCAL/COUNTY	761	0	0	0		0	N/A
8900 INTERFUND TRANSFER IN	239,783	275,324	0	275,324		0	100.0%
TOTAL REVENUE :	\$240,544	\$275,324	\$0	\$275,324		\$0	100.0%
OBJECT CLASSIFICATION	2010-2011 ACTUAL	REVISED BUDGET	CURRENT EXPENDITURE	Y-T-D EXPENDITURE	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
Transfers							
7200 LONG TERM DEBT	239,783	275,324	0	137,662	137,662	0	50.0%
TOTAL CAPITAL OUTLAY :	\$239,783	\$275,324	\$0	\$137,662	\$137,662	\$0	50.0%
TOTAL EXPENSE :	\$239,783	\$275,324	\$0	\$137,662	\$137,662	\$0	50.0%
REVENUE OVER EXPENSE :	\$761	\$0	\$0	\$137,662	(\$137,662)	\$0	

## \*\*\* BOARD REPORT \*\*\*

## College Revenue Bond Interest &amp; Redemption

Fund 46

Monterey Peninsula College

October 31, 2011

OBJECT CLASSIFICATION	2010-2011 ACTUAL	2011-12					
		REVISED BUDGET	CURRENT REVENUES	Y-T-D REVENUES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	Y-T-D ACTUAL TO BUDGET
<b>REVENUES</b>							
8800 LOCAL	19,425	18,975	0	0		18,975	0.0%
8860 INTEREST	68	0	0	0		0	N/A
TOTAL REVENUE :	<u>\$19,493</u>	<u>\$18,975</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>	0.0%
<b>DEBT RETIREMENT</b>							
7100 DEBT RETIREMENT	19,425	18,975	0	17,100	1,875	0	90.1%
TOTAL DEBT RETIREMENT :	<u>\$19,425</u>	<u>\$18,975</u>	<u>\$0</u>	<u>\$17,100</u>	<u>\$1,875</u>	<u>\$0</u>	90.1%
TOTAL EXPENSE :	<u>\$19,425</u>	<u>\$18,975</u>	<u>\$0</u>	<u>\$17,100</u>	<u>\$1,875</u>	<u>\$0</u>	100.0%
REVENUE OVER EXPENSE :	<u>\$68</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$17,100)</u>	<u>(\$1,875)</u>	<u>\$0</u>	

\*\*\* BOARD REPORT \*\*\*

Associated Student Fund

Monterey Peninsula College

October 31, 2011

OBJECT CLASSIFICATION		2010-11 PRIOR YEAR ACTUAL	FORECAST BUDGET	REVISED BUDGET	CURRENT MTH REVENUE	2011-12 Y-T-D REVENUE		BALANCE DUE	PERCENT
<b>REVENUES</b>									
8000	BEGINNING BALANCE	0	12,000	12,000	0	0		12,000	0.0%
8001	ASMP C CARD SALES	70,492	63,920	63,920	6,748	17,319		46,601	27.1%
8005	CAFETERIA/D & L VENDING	6,061	5,000	5,000	0	2,216		2,784	44.3%
8006	INTEREST	187	180	180	16	58		122	32.1%
8010	MISCELLANEOUS	0	0	0	0	0		0	0.0%
8011	STUDENT REPRESENTATIVE FEES	13,939	13,000	13,000	930	2,679		10,321	0.0%
8013	BOOKSTORE CONTRACT	5,000	5,000	5,000	0	5,000		0	100.0%
8014	PRIOR YEAR ADJUSTMENT	0	0	0	0	0		0	0.0%
8015	BUS PASS	22,900	22,900	22,900	1,557	3,797		19,103	0.0%
4999	OTHER INCOME	0	0	0	0	0		0	0.0%
	<b>TOTAL REVENUE:</b>	<b>\$118,579</b>	<b>\$122,000</b>	<b>\$122,000</b>	<b>9,251</b>	<b>31,069</b>		<b>\$90,931</b>	<b>25.5%</b>
OBJECT CLASSIFICATION		PRIOR YEAR ACTUAL	FORECAST BUDGET	REVISED BUDGET	CURRENT MTH EXPENDITURES	Y-T-D EXPENDITURES	ENCUMBERED BALANCE	UNENCUMBERED BALANCE	PERCENT
<b>EXPENSES</b>									
<b>#4000 ASMP C COUNCIL</b>									
	***ASMP C COMMITTEES FUND	700	1,000	1,000	0	0		1,000	0.0%
	ASMP C COMMUNITY OUTREACH FUND	3,900	2,500	2,500	0	0		2,500.00	0.0%
	ASMP C CONFERENCE AND TRAVEL FUND	13,554	10,000	10,000	0	0		10,000	0.0%
	ASMP C GENERAL FUND	45,239	6,400	6,400	0	180		6,220	2.8%
	ASMP C OFFICE SUPPLIES FUND	735	2,000	2,000	219	3,735		-1,735	0.0%
	ASMP C PROMOTIONS FUND	1,639	1,400	1,400	0	0		1,400	0.0%
	ASMP C RESERVE FUND	0	4,800	4,800	0	0		4,800	0.0%
	ASMP C STIPEND FUND	13,850	15,700	15,700	0	0		15,700	0.0%
	ASMP C STUDENT ASSIST FUND	304	2,000	2,000	0	0		2,000	0.0%
	ASMP C STUDENT BENEFITS FUND	8,262	3,000	3,000	2,429	8,952		-5,952	298.4%
<b>#4007 STUDENT REP. COUNCIL</b>									
	***SRC GENERAL FUND	300	4,405	4,405	0	0			
	SRC OFFICE SUPPLIES FUND	0	800	800	0	0		800	0.0%
	SRC PROMOTIONAL ITEM FUND	0	975	975	0	0		975	0.0%
	SRC RESERVE FUND	0	1,220	1,220	0	0		1,220	0.0%
	SRC STIPEND FUND	3,880	4,000	4,000	0	0		4,000	0.0%
	SRC STUDENT ASSISTANT FUND	0	800	800	0	0		800	0.0%
<b>#4104 INTER CLUB COUNCIL-ICC</b>									
	***ICC CLUB ACTIVITY FUND	9,266	0	0	335	1,099			
	ICC COMMUNITEE ACTIVITY FUND	6,585	0	0	1,603	2,443		-2,223	0.0%
	ICC EQUIPMENT FUND	1,151	0	0	200	201		-201	0.0%
	ICC CLUB EQUIPMENT FUND	2,333	0	0	400	400		-400	0.0%
	ICC GENERAL FUND	259	30,610	30,610	0	0		30,610	0.0%
	ICC INDEPENDENT CONTRACTOR FUND	0	0	0	0	0		0	0.0%
	ICC PROMOTINAL ITEM FUND	0	730	730	0	0		730	0.0%
	ICC RESERVE FUND	0	3,660	3,660	0	0		3,660	0.0%
	ICC SEED MONEY	6,030	0	0	1,405	1,405		-1,405	0.0%
	ICC START UP FUNDS (\$200.00)	3,000	0	0	0	50		0	0.0%
	ICC STIPENDS FUND	800	800	800	0	0		800	0.0%
	ICC STUDENT ASSISTANT FUND	3,575	800	800	0	0		800	0.0%
<b>#4010 ACTIVITIES COUNCIL</b>									
	***AC ACTIVITIES FUND	18,850	14,785	14,785	0	0			
	AC GENERAL FUND	1,768	3,000	3,000	825	252		2,748	8.4%
	AC PROMOTIONAL ITEM FUND	696	975	975	0	0		975	0.0%
	AC RESERVE FUND	0	2,440	2,440	0	0		2,440	0.0%
	AC STIPENDS	1,720	2,400	2,400	0	0		2,400	0.0%
	AC STUDENT ASSISTANT FUND	0	800	800	0	0		800	0.0%
<b>6560 BANK SERVICES</b>									
	BANK CHARGES	102							
	<b>TOTAL EXPENSES:</b>	<b>\$148,498</b>	<b>\$122,000</b>	<b>\$122,000</b>	<b>7,416</b>	<b>18,496</b>		<b>\$85,463</b>	<b>15.2%</b>
	<b>REVENUE OVER EXPENSE:</b>	<b>\$29,920</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,835</b>	<b>\$12,572</b>		<b>\$5,469</b>	
	BEGINNING BALANCE WITH Y-T-D REVENUE					21,822			
	INCOME TO DATE					31,069			
	EXPENSE TO DATE					(18,496)			
	EST. ENDING BALANCE					34,394			

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. B

Fiscal Services  
College Area

### Proposal:

That the Governing Board review and accept the attached Quarterly Financial Status Report (Form CCFS 311Q) for the quarter ending, September 30, 2011.

### Background:

AB 2910, Chapter 1486, Statutes of 1986, requires that quarterly reports on the financial condition of each community college district be presented to local governing boards for review and acceptance. These reports must also be filed with the Chancellor's Office.

### Budgetary Implications:

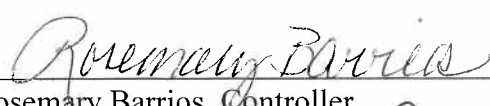
Steps have been taken to ensure close monitoring of the District's budget. Monthly reports, updates and projections will be provided to the Governing Board.

☒ **RESOLUTION: BE IT RESOLVED**, that the Quarterly Financial Status Report for the quarter Ending September 30, 2011 as presented on form CCFS 311Q, be accepted and made part of the minutes of this meeting.

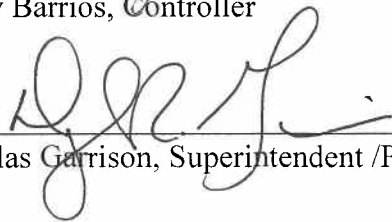
Recommended By: \_\_\_\_\_

  
Stephen Ma, Vice President for Administrative Services

Prepared By: \_\_\_\_\_

  
Rosemary Barrios, Controller

Agenda Approval: \_\_\_\_\_

  
Dr. Douglas Garrison, Superintendent /President



**CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE**

**Quarterly Financial Status Report, CCFS-311Q**

**VIEW QUARTERLY DATA**

**CHANGE THE PERIOD**

**Fiscal Year: 2011-2012**

**Quarter Ended: (Q1) Sep 30, 2011**

**District: (460) MONTEREY**

Line	Description	As of June 30 for the fiscal year specified			
		Actual 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-2012
I. Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
A. Revenues:					
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	42,160,479	39,518,284	40,111,566	36,429,106
A.2	Other Financing Sources (Object 8900)	50,000	0	50,000	1,104,282
A.3	Total Unrestricted Revenue (A.1 + A.2)	42,210,479	39,518,284	40,161,566	37,533,388
B. Expenditures:					
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	35,028,799	32,600,756	32,869,033	31,370,996
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	7,092,699	6,831,758	7,797,461	6,159,152
B.3	Total Unrestricted Expenditures (B.1 + B.2)	42,121,498	39,432,514	40,666,494	37,530,148
C	Revenues Over(Under) Expenditures (A.3 - B.3)	88,981	85,770	-504,928	3,240
D.	Fund Balance, Beginning	4,094,008	4,182,989	4,268,759	3,763,831
D.1	Prior Year Adjustments + (-)	0	0	0	0
D.2	Adjusted Fund Balance, Beginning (D + D.1)	4,094,008	4,182,989	4,268,759	3,763,831
E.	Fund Balance, Ending (C. + D.2)	4,182,989	4,268,759	3,763,831	3,767,071
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	9.9%	10.8%	9.3%	10%

**II. Annualized Attendance FTES:**

G.1	Annualized FTES (excluding apprentice and non-resident)	8,370	7,890	7,681	7,200
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**III. Total General Fund Cash Balance (Unrestricted and Restricted)**

		As of the specified quarter ended for each fiscal year			
		2008-09	2009-10	2010-11	2011-2012
H.1	Cash, excluding borrowed funds		3,951,492	1,451,628	4,767,785
H.2	Cash, borrowed funds only		0	0	0
H.3	<b>Total Cash (H.1 + H.2)</b>	<b>841,824</b>	<b>3,951,492</b>	<b>1,451,628</b>	<b>4,767,785</b>

**IV. Unrestricted General Fund Revenue, Expenditure and Fund Balance:**

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col. 2)
<b>I. Revenues:</b>					
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	36,429,106	36,429,106	5,448,640	15%
I.2	Other Financing Sources (Object 8900)	1,104,282	1,104,282	0	
I.3	<b>Total Unrestricted Revenue (I.1 + I.2)</b>	<b>37,533,388</b>	<b>37,533,388</b>	<b>5,448,640</b>	<b>14.5%</b>
<b>J. Expenditures:</b>					
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	31,370,996	31,370,996	6,884,412	21.9%
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	6,159,152	6,159,152	456,933	7.4%
J.3	<b>Total Unrestricted Expenditures (J.1 + J.2)</b>	<b>37,530,148</b>	<b>37,530,148</b>	<b>7,341,345</b>	<b>19.6%</b>
K.	<b>Revenues Over(Under) Expenditures (I.3 - J.3)</b>	<b>3,240</b>	<b>3,240</b>	<b>-1,892,705</b>	
L	<b>Adjusted Fund Balance, Beginning</b>	<b>3,763,831</b>	<b>3,763,831</b>	<b>3,763,831</b>	
L.1	<b>Fund Balance, Ending (C. + L.2)</b>	<b>3,767,071</b>	<b>3,767,071</b>	<b>1,871,126</b>	
M	Percentage of GF Fund Balance to GF Expenditures (L.1 / J.3)	10%	10%		

**V. Has the district settled any employee contracts during this quarter?**

**NO**

**If yes, complete the following: (If multi-year settlement, provide information for all years covered.)**

Contract Period Settled (Specify)	Management	Academic	Classified
	Permanent	Temporary	

YYYY-YY	Total Cost Increase	% *	Total Cost Increase	% *	Total Cost Increase	% *	Total Cost Increase	% *
a. SALARIES:								
Year 1:								
Year 2:								
Year 3:								
b. BENEFITS:								
Year 1:								
Year 2:								
Year 3:								

\* As specified in Collective Bargaining Agreement or other Employment Contract

c. Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code.

VI. Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.)? **NO**

If yes, list events and their financial ramifications. (Enter explanation below, include additional pages if needed.)

VII. Does the district have significant fiscal problems that must be addressed? **This year? YES**  
**Next year? YES**

If yes, what are the problems and what actions will be taken? (Enter explanation below, include additional pages if needed.)

The District faces many challenges in the 11-12 Fiscal year, with the system wide apportionment reduction of \$290 M. Increased enrollment fees from \$26 to \$36, and possibly and additional increase to \$46 per unit. New inter-year deferral, and the potential for mid-year trigger cuts of \$30M and \$72M if certain statewide revenue estimates are not met.

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CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE

Quarterly Financial Status Report, CCFS-311Q  
CERTIFY QUARTERLY DATA

CHANGE THE PERIOD

Fiscal Year: 2011-2012

Quarter Ended: (Q1) Sep 30, 2011

District: (460) MONTEREY

Your Quarterly Data is Certified for this quarter.

**Chief Business Officer**

**CBO Name:** Stephen Ma

**CBO Phone:** 831-646-4040

**CBO Signature:** \_\_\_\_\_

**Date Signed:** \_\_\_\_\_

**Chief Executive Officer Name:** Dr. Douglas Garrison

**CEO Signature:** \_\_\_\_\_

**Date Signed:** \_\_\_\_\_

**Electronic Cert Date:** 11/10/2011

**District Contact Person**

**Name:** Rosemary Barrios

**Title:** Controller

**Telephone:** 831-646-4043

**Fax:** 831-645-1315

**E-Mail:** rbarrios@mpc.edu

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California Community Colleges, Chancellor's Office  
1102 Q Street Sacramento, California 95814-6511

Send questions to:

Christine Atalig (916)327-5772 [catalig@cccco.edu](mailto:catalig@cccco.edu) or Tracy Britten (916)323-6899 [tbritten@cccco.edu](mailto:tbritten@cccco.edu)

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# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. C

Superintendent/President  
College Area

### **Proposal:**

That the Governing Board adopt a resolution in support of California Senate Constitutional Amendment (SCA) 5.

### **Background:**

California is facing extraordinary fiscal pressures due to an extended national recession, the inability to address a structural funding problem over several years, and the reluctance to implement additional tax measures. Recent information from the California Assembly estimates the budget deficit for 2011–2012 at approximately \$8 billion. As a result, 2012–2013 is expected to continue the current challenging fiscal situation for all state agencies. Since California community colleges rely on state funding, they are directly impacted by statewide budget conditions.

State Senator S. Joseph Simitian has authored Senate Constitutional Amendment (SCA) 5 which would allow school districts, community colleges districts, and county offices of education to pass a local parcel tax with a 55% majority vote rather than the currently required two-thirds majority. To place SCA 5 on the statewide ballot, it must be approved by a two-thirds vote in both the California Assembly and Senate. Senator Simitian has requested that the Monterey Peninsula Community College District Governing Board adopt a resolution supporting SCA 5 and communicate that support to his office.

### **Budgetary Implications:**

None on the General Fund; possibility of pursuing a local parcel tax if SCA 5 were approved by state voters.



**RESOLUTION: BE IT RESOLVED** that the Monterey Peninsula Community College District Governing Board adopt the following resolution in support of Senate Constitutional Amendment (SCA) 5.

### **RESOLUTION:**

WHEREAS, Senate Constitutional Amendment 5 (Simitian), which reduces the two-thirds vote requirement on parcel taxes, will be acted on by the California State Legislature; and

WHEREAS, reductions in the State General Fund revenue have led to reduced school funding; and

WHEREAS, State General Fund revenue is unstable and erratic, which results in unpredictable funding levels for school districts and county offices of education; and

WHEREAS, parcel tax revenue can provide a stable, predictable source of school revenue; and

WHEREAS, passage of SCA 5 will empower local voters to invest in their schools based on the needs of their communities by requiring a tough, but fair, 55 percent vote to pass local parcel taxes, while protecting taxpayers and homeowners with accountability provisions that will ensure that funds generated from parcel taxes are not wasted or mismanaged; and

WHEREAS, revenue from parcel taxes can be spent according to local priorities and are not subject to state control; and

WHEREAS, the two-thirds vote requirement results in minority rule by requiring two "yes" votes to cancel out one "no" vote; and

WHEREAS, passage of SCA 5 will allow local voters to decide to make investments in their neighborhood schools in addition to state funding; and

THEREFORE BE IT RESOLVED, that the Monterey Peninsula Community College District Governing Board strongly urges the California State Legislature to support and adopt SCA 5.

Passed and adopted by the Monterey Peninsula Community College District on November 22, 2011, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**Recommended By:** Dr. Douglas Garrison, Superintendent/President

**Prepared By:** Carla Robinson  
Carla Robinson, Executive Assistant to Superintendent/President and Governing Board

**Agenda Approval:** Dr. Douglas Garrison, Superintendent/President

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

Human Resources  
College Area

New Business Agenda Item No. D

**Proposal:** That the Governing Board ratify the agreement between California School Employees Association Chapter #245-MPCEA/CSEA and the District that amends the terms of medical coverage to eligible employees.


**Background:** In response to a projected 25% increase in costs of the medical plan for 2010/11, the Health and Welfare Cost Containment Committee examined the current medical plan provisions to identify measures to eliminate the increased costs. A three phase plan was developed and implemented for faculty and management. MPCEA employees subsequently approved phase one of the plan and took furloughs to address the remainder of the anticipated budget shortage in the medical plan. In October, 2011 the District and MPCEA reached the attached agreement which implements the same three phase plan as faculty and management. The agreement also relieves the requirement that MPCEA repay the \$257,110 loan agreed to in the agreement reached in August, 2011 in response to the 2011/12 budget deficit. MPCEA members ratified the proposal by a vote of 63 to 20, a 75.9% approval.

The agreement is attached and describes changes to be implemented in three phases as warranted by actual usage.

**Budgetary Implications:** Total cost savings are based on projections; actual costs or savings will be ascertained at the mandatory points of review.



**Resolution: Be it resolved,** that Board of Trustees ratify the attached Agreement on Medical Benefits between MPCEA and the District, effective immediately.

**Recommended By:**   
Stephen Ma, Vice President for Administrative Services

**Prepared By:**   
Barbara Lee, Associate Dean of Human Resources

**Agenda Approval:**   
Dr. Doug Garrison, Superintendent/President

## TENTATIVE AGREEMENT

Between

Monterey Peninsula Community College District  
and  
California School Employees Association Chapter #245 MPCEA

October 17, 2011

### Medical Benefits

To offset the increased costs for medical benefits, the parties agree to the following cost containment measures:

Item	Phase 1	Phase 2	Phase 3
Deductible	\$250/Individual In-Network \$500/Individual Out-of-Network	\$350/Individual In-Network \$700/Individual Out-of-Network	\$500/Individual In-Network \$700/Individual Out-of-Network
Co-Insurance	5% In-Network 30% Out-of-Network	15% In-Network 40% Out-of-Network	20% In-Network 40% Out-of-Network
Out of Pocket Maximum	\$2,500 In-Network \$3,500 Out-of-Network	\$3,000 In-Network \$5,000 Out-of-Network	\$3,500 In-Network \$5,000 Out-of-Network
Office Visit Co-Pay	\$25	\$25	\$25
3 Tier Hospital	100% In-Network, Tier 1 90%, In-Network, Tier 2 80% In-Network, Tier 3 80% Out-of Network	100% In-Network, Tier 1 90%, In-Network, Tier 2 70% In-Network, Tier 3 70% Out-of Network	90% In-Network, Tier 1 80%, In-Network, Tier 2 70% In-Network, Tier 3 70% Out-of Network
3 Tier Hospital Admit Fee	\$0	\$200 Tier 1 \$200 Tier 2 \$1,000 Tier 3 \$1,000 Out-of-Network	\$200 Tier 1 \$200 Tier 2 \$1,000 Tier 3 \$1,000 Out-of-Network
ER Co-Pay	\$100	\$200	\$250
Physical Exams	\$500/every 24 months	\$500/every 24 months	\$500/every 24 months

- **Phase 1 was implemented July 1, 2010.**
- **Future phases will only be implemented if the medical plan's loss ratio exceeds 100%** (i.e. expenses exceed contributions). This will be determined by a comparison of actual expenses for active employees (paid claims and fees) for the prior 12 months compared to the total contributions for active employees (the current contribution is \$1,280 per employee/per month but could be increased through negotiations). The comparison will be done for three years (2011-13) each six months in August and February. Future phases will only be implemented if the prior 12 month loss ratio is greater than 100%. If the loss ratio does not exceed 100% additional Phases will not be implemented. If needed, implementation of future phases will be in April for February reviews and November for August reviews.
- **The first review will be in February 2012.** Actual experience (paid claims and fees) for the 12 months January 2011 thru December 2011 will be compared to the total contributions (currently \$1,280 per employee/per month). If the loss ratio is less than 100% the next phase will not be implemented. If the loss ratio is greater than 100% the next Phase will be implemented April 1, 2012. The next review will be in August 2012. Actual experience for the 12 months July 2011 thru June 2012 will be compared to the total contributions. If the loss ratio is less than 100% the next phase will not be implemented. If the loss ratio is greater than 100% the next Phase will be implemented November 1, 2012. Additional reviews will be done each six months with the last review in February 2013.
- **Savings achieved in the Medical Benefits Plan will affect the Salary Schedule Adjustment** per the Faculty salary formula described in Section 16.8 of the faculty contract. **See Example 2 below.**

### **Example 1**

**The Medical Benefits Plan experiences an increase in costs of 3% and COLA is 3%**

The contribution by the District for active employees will increase by 3% (i.e. the COLA) from \$1280 to \$1318 per employee per month. The new figure would be used in calculating the plan's loss ratio.

### **Example 2**

**The Medical Benefits Plan experiences a decrease in costs of 5%**

#### ***Assumptions:***

- The Apportionment Revenues are \$30 million
- The Medical Benefits Plan expenses are \$6 million

5% of \$6 million = \$300,000 → The Plan achieved a savings of \$300,000.

\$300,000 is 1% of \$30 million → \$300,000 in savings represents 1% of the Apportionment Revenues.

**Results:** If the Salary Formula produces a salary increase of 3%, then the total salary increase = 3% + 1% = 4%


If the Salary Formula produces a salary increase of 0%, the salary increase = 1%

If the Ending Apportionment Revenues have declined, the salary increase = 1%





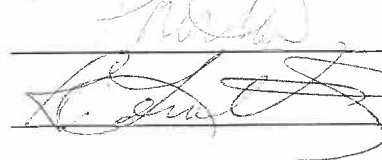
Per Section IIIC of the Memorandum of Understanding dated August 16, 2011 regarding the 2011/12 anticipated deficit, if MPCEA adopts this medical plan, which is the same plan as the faculty and management, prior to February 1, 2012 the District will not require repayment of the \$257,110 loan to MPCEA.

For MPCCD

  
\_\_\_\_\_  
Barbara Durr  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10/17/11  
\_\_\_\_\_  
Date

For MPCEA

 J. WALSH  
 John Salom  
\_\_\_\_\_  
 L. L. R.  
\_\_\_\_\_

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. E

Administrative Services  
College Area

### **Proposal:**

That the Governing Board authorize the Vice President for Administrative Services to enter into an agreement with Alliant Insurance Services, Inc., as the District's broker of record and consultant for the District's employee benefits programs effective December 1, 2011.

### **Background:**

The District uses an outside consultant to provide contracts review, financial/cost analysis, cost containment options and carrier renewal negotiations for its employee medical benefits programs and has contracted Keenan and Associates, as its broker of record and consultant since 2002. Keenan has met regularly with district staff and the Health and Welfare Cost Containment Committee (H&WCCC) to review claims experience and to investigate options for cost containment of the district's health and welfare plan. In the past 18 months, there has been a growing dissatisfaction of Keenan's service, responsiveness, and work product.

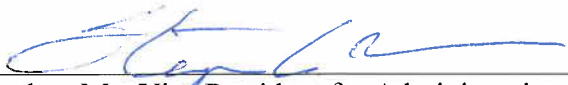
In the spring of 2010-11, district staff with the support of H&WCCC issued a Request for Proposal for health benefits consultant and broker of record. Six firms responded to the RFP including local, regional and statewide entities. The annual consulting fees ranged from \$36,000 to \$175,000. The H&WCCC narrowed the proposals down to three (Keenan, Alliant, and JBR Insurance Services) based on a review of qualifications, experience and fees. Subsequent interviews were conducted by the H&WCCC to determine which firm would be the best fit for the District. In September 2011, the H&WCCC recommended that the District should retain the services of Alliant Insurance Services to be the district's health benefits consultant and broker of record. Reference checks on Alliant have been conducted and responses were very favorable.

Staff is recommending the District enter into a one-year contract with Alliant Insurance Services with options to renew depending on satisfactory performance. Alliant is proposing an annual fee of \$50,000 of which 25% (\$12,500) is "at risk". If the District is dissatisfied with "client deliverables", fifty percent of the "at risk" amount will be reimbursed to the district. Similarly, if the district is dissatisfied with Alliant's service or support, fifty percent of the "at risk" amount will be reimbursed to the District. The District believes the performance guarantee of this contract is an important provision to keep the vendor motivated in providing high levels of service. It should be noted that Keenan's proposed fee in their RFP was \$36,000; however, Keenan has traditionally received additional compensation for other lines of services provided to the District.

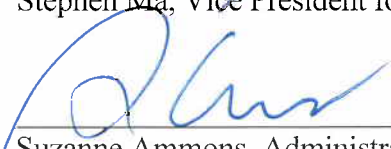
**Budgetary Implications:** Alliant's annual fee is slightly higher than Keenan; however, the fee should not be the only measure in determining overall effectiveness of the consultant. Based on Alliant's track record with other community colleges, the H&WCCC anticipates new and creative ways for the District to view health and welfare benefits.

☒ **RESOLUTION: BE IT RESOLVED,** That the Governing Board authorize the Vice President for Administrative Services to enter into an agreement with Alliant Insurance Services, Inc., as the District's broker of record and consultant for the District's employee benefits programs effective December 1, 2011.

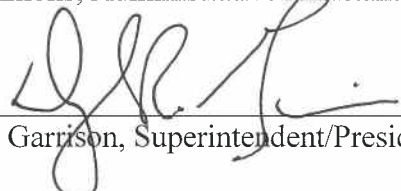
**Recommended By:**

  
\_\_\_\_\_  
Stephen Ma, Vice President for Administrative Services

**Prepared By:**

  
\_\_\_\_\_  
Suzanne Ammons, Administrative Assistant

**Agenda Approval:**

  
\_\_\_\_\_  
Dr. Douglas Garrison, Superintendent/President



## **CONSULTING AGREEMENT**

This consulting agreement (herein referred to as the "Agreement") is made on December 1, 2011 by and between Monterey Peninsula College (herein referred to as the "Client") and Alliant Insurance Services, Inc. (herein referred to as the "Consultant").

### **RECITAL OF FACTS**

The Consultant is engaged in the business of providing services as an employee benefit consultant and insurance broker. The Client now wishes to engage the services of the Consultant to provide consulting services (herein referred to as "Services") for the Client's Employee Benefits programs (herein referred to as "Plans"), subject to the terms and conditions set forth below.

### **1. SCOPE OF SERVICES**

- A. The Client hereby engages Consultant, and Consultant hereby accepts such engagement, to perform the Services (defined in the attached Exhibit I) on behalf of the Client, all in accordance with the terms and conditions of this Agreement. Nothing provided herein, nor in the list of Services, is provided as legal or tax analysis or opinion and none of the Services performed by Consultant shall be interpreted to be or relied upon as legal or tax analysis, opinion, or advice.
- B. The Consultant shall not have discretionary authority or discretionary control with respect to the management of any of the Plan's funds, nor have independent authority to exercise any control respecting management or disposition of the assets of such Plans, nor render any investment advice with respect to any money or other property of such Plans. The Client agrees that the Consultant is not a "fiduciary" for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and that the Client shall not represent that the Consultant is a fiduciary.
- C. To enable Consultant to perform the Services, the Client shall, upon execution of this Agreement, and thereafter promptly upon the request of Consultant, provide all information regarding the Client and its existing plans as requested by Consultant in connection with its performance of the Services. Consultant agrees to perform the Services in accordance with professional standards recognized in its business, and that adequate personnel, as determined in its sole discretion, will be assigned for that purpose. Consultant will advise the Client of its progress throughout this engagement.

### **2. DEFINITIONS**

When used throughout this Agreement, capitalized terms, whether in the singular or in the plural form, shall have the meanings ascribed to them at their first occurrence. In addition, the following terms, when capitalized, whether in the singular or in the plural form, shall have the meanings set forth below:

- A. Commission – Remuneration paid by Client's insurance carriers (or excess pools) directly to Consultant.

- B. Compensation – Remuneration paid to Consultant as consideration for its Services performed under this Agreement, which shall be in the form of either a Fee and/or Commission.
- C. Confidential Information – Information considered by its owner to be confidential, proprietary and/or trade secret including, without limitation, client information, data, recommendations, proposals, reports and similar information, and work product.
- D. Disclosing Party – The Party disclosing Confidential Information under this Agreement.
- E. Fee – Annual remuneration paid monthly, quarterly, or as agreed upon by Client directly to Consultant for Services (does not include Commission).
- F. Party – Client or Consultant.

### 3. TERM AND TERMINATION

- A. **Initial Term:** The term of this Agreement shall begin on the date specified and shall end twelve (12) months later.
- B. **Automatically Renew:** Unless either Party notifies the other Party in writing, this Agreement shall be automatically renewed for successive one-year period(s).
- C. **Termination During Initial Term:** The Agreement may not be terminated by either Party during the initial 12-month term of the Agreement unless such termination is in response to a material breach of the Agreement. The breaching Party must be provided with written notice of such breach and be afforded twenty-one (21) days to remedy the breach. If the breach is not remedied during the 21 day period, the non-breaching Party may terminate the Agreement with seven (7) days written notice.
- D. **Termination After Initial Term:** After the Initial term, either Party may terminate the Agreement upon ninety (90) calendar days written notice to the other Party.
- E. **Final Fees:** Upon termination, the Consultant shall issue a final invoice for any billable services performed and related expenses incurred by the Consultant. The Client shall pay such invoice within thirty (30) calendar days of receipt.

### 4. SUPPORT

- A. The Client shall provide the Consultant with such support facilities and information as may be necessary to enable the Consultant to properly perform its services. Consultant may rely on this information as accurate and complete.
- B. The Consultant will utilize the Consultant's employees or subcontractors for the purposes of performing obligations under this Agreement. The Client may reasonably request that the Consultant assign different consulting personnel to perform the services under this Agreement. Specific personnel will be assigned to the Client as needed. The Consultant reserves the right to reassign personnel at any time.



- C. If, in the opinion of the Consultant, an attorney, actuary, physician, dentist, accountant, investment counsel, investment analyst or similar professional (an "Outside Professional") needs to be retained, the Consultant will notify the Client of such need. If both parties agree to such need, the Client will then retain such professional and be the responsible Party for such service and cost. The Client agrees to require the Outside Professional to share information with the Consultant as reasonably required to allow the Consultant to perform services under this Agreement unless such sharing would violate professional or ethical duties or rules. The Consultant retains no responsibility for recommendation of a particular Outside Professional and does not warrant, represent or guarantee the ability or performance of a particular Outside Professional.

## **5. THIRD-PARTY BROKERS**

Consultant may determine from time to time that it is necessary or appropriate to utilize the services of third-Party brokers (such as underwriting managers and reinsurance brokers) to assist in marketing the Client insurance program. Subject to the provisions herein, these third-Party brokers may be affiliates of Consultant (e.g., other companies of Consultant that provide services other than those included within the Scope of Services of this Agreement), or may be unrelated third-Party brokers. Compensation to such third-Party brokers will not be part of Consultant's Fee.

## **6. OTHER THIRD PARTIES**

Nothing in this Agreement, express or implied, is intended to nor shall be construed to confer upon any person, firm, or corporation, other than the parties to this Agreement, any remedy or claim under or by reason of this Agreement as third-Party beneficiaries or otherwise. The terms and conditions of this Agreement are for the sole and exclusive benefit of the parties to this Agreement.

## **7. CONFIDENTIALITY AND OWNERSHIP OF RECORDS, WORK PRODUCT, AND OTHER DOCUMENTS**

- A. **Confidential Information.** The services and work product exchanged by the Parties under this Agreement are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The Parties acknowledge that during the term of this Agreement, they may each exchange Confidential Information. Except as otherwise provided herein or as required by applicable law, the Parties understand and agree that they will not disclose, distribute, use, or rely upon Confidential Information received from the other without the permission of the Disclosing Party.
- B. **Ownership.** Except as otherwise provided in this Agreement, Confidential Information is and remains the absolute and exclusive property of the Disclosing Party and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this Agreement, no copies of Confidential Information shall be made without the written permission of the Disclosing Party. The Parties agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's Confidential Information to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such Confidential Information to others.

- i. **Work Product.** The Client shall retain all ownership rights in and to any information, data, methods, specifications or products supplied by the Client. The Consultant shall retain all ownership rights in and to any information, data, benefit analysis, specifications or products (collectively, "Work Product") supplied by the Consultant, together with all intellectual property rights herein. The Work Product is solely for use by the Client and its Plans and may not, without Consultant's written agreement, be shared with anyone else other than Client employees, Plan participants and beneficiaries, Client advisors with a need to know, or as otherwise required by law.

**C. Exclusions.** The following types of information shall not be considered confidential:

- i. Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this Agreement;
- ii. Information that is independently developed by either Party as demonstrated by the Party's records;
- iii. Information that is disclosed by a third Party whom the Recipient Party has no reason to believe has any confidentiality or fiduciary obligation to the owner of such information; or
- iv. Information that is required to be disclosed by law or judicial process, provided the Disclosing Party gives the Non-Disclosing Party prior notice of subpoena or request for information so that the Non-Disclosing Party can seek a protective order, or other appropriate injunctive relief.

**D. Reasonable Efforts.** The Parties agree to employ reasonable and customary business practices to protect and secure Confidential Information from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives who "need to know" in order to provide the products and Services under this Agreement. The Parties further agree that those employees, officers, agents, and representatives who are privy to Confidential Information shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this Agreement.

**E. Privacy.** Each Party agrees that it shall comply with any requirements of prevailing privacy laws, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (as amended) ("HIPAA"), to the extent applicable to its activities conducted pursuant to this Agreement.

## **8. CONSULTANT AS INDEPENDENT CONTRACTOR**

Consultant is an independent contractor of Client. This Agreement shall not create the relationship of employer and employee, a partnership, or a joint venture between Client and Consultant. The parties shall be solely liable for the wages, employment taxes, fringe benefits, work schedules, and work conditions of their respective employees, agents and subcontractors. Neither Party shall have authority to sign any document on behalf of the other, or to commit the other in any manner whatsoever, without the prior authorization of that Party.

## **9. LIMITATION OF LIABILITY / INDEMNITIES**

- A. Plans.** The Consultant shall have no responsibility, risk, liability or obligation for funding of the Plans. The responsibility and obligation for funding the Plans shall reside solely and totally with the person or entities provided in the Plans. The Plans and Plan provisions recommended by the Consultant to the Client are solely recommendations by the Consultant and the Client, not the Consultant, has the ultimate authority to select and modify Plans. The Consultant has no discretion or control with respect to the management of any such Plans. Further, the Consultant has no independent authority to exercise any control of the management or disposition of any assets of such Plans.
- B. Advice and Recommendations.** Consultant is not responsible for Client's compliance with regulation and statutes affecting the Plans. Consultant's advice or recommendations shall not be construed as legal advice. The Client agrees that it will, if it deems it necessary, seek legal advice from its own legal counsel on whether particular advice or recommendations satisfy applicable law.
- C. Indemnity: Consultant.** In the event that Consultant, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, any provision of the Agreement, or any written rule, regulation, policy, procedure or similar instruction related to Services, Consultant shall indemnify, defend, and hold Client harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's Fees), incurred by Client in connection with such conduct.
- D. Indemnity: Client.** In the event that Client, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, or any provision of the Agreement, Client shall indemnify, defend, and hold Consultant harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's Fees), incurred by Consultant in connection with such conduct.
- E. Limitation of Liability.** Consultant's liability to the Client for any damages arising from the Services rendered hereunder is limited to the amount of Service Fees paid to Consultant for such services pursuant to this Agreement, and in no event shall Consultant be liable to the Client for any incidental or consequential damages arising from the Services, unless caused by Consultant's gross negligence or willful misconduct. This limitation of liability for Consultant extends to all of its representatives, attorneys, accountants, directors, officers, agents, and employees.

## **10. OBLIGATIONS AND WARRANTIES**

- A. Obligations of Client.** Client will cooperate with Consultant in the performance of Consultant's duties by providing complete and accurate information as to Client's loss experience, risk exposures, and any other pertinent information that Consultant requests. Client shall promptly review coverage documents concerning the employee benefits insurance and products delivered by Consultant for consistency with Client's specifications. In addition, Client shall have the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to Consultant. This reporting must be memorialized in writing and delivered to Consultant in accordance with the notice provisions below.
- B. Warranty.** Consultant warrants that the Services performed by Consultant, its employees, agents and subcontractors, will be of a high quality and performed in a



professional manner in accordance with industry standards and practice, and in compliance with all applicable laws and regulations, including but not limited to all applicable licensing requirements. Consultant also warrants that the Services provided in this Agreement and any attachments will meet the requirements of this Agreement.

#### **11. NO ASSIGNMENT WITHOUT WRITTEN AGREEMENT**

This Agreement is binding upon the Parties hereto and their respective successors by merger, sale, consolidation, or reorganization. Neither Party shall assign its interest in, or delegate the performance of its obligations under this Agreement to any other person or entity without prior written consent by both parties. Consultant shall not subcontract any Service under this Agreement without advance written approval from Client. Any such subcontract shall incorporate by reference the terms and conditions of this Agreement. This Agreement inures to the benefit of the parties and their permitted successors and assignees.

#### **12. GOVERNING LAW**

This Agreement shall be governed by and construed under the laws of the State of California without reference to its conflicts of law principles.

#### **13. AGREEMENT TO ARBITRATE**

The Parties agree to arbitrate any controversy, claim, or dispute between them arising out of or in any way related to this Agreement, the relationship between them, or any disputes upon termination of Agreement. Arbitration is the Parties' only recourse for such claims and the Parties waive the right to pursue such claims in any other forum, unless otherwise required by law. Notwithstanding the foregoing, both parties shall have the right to seek temporary equitable relief in a court of law concerning any controversy claim or dispute between them arising out of or in any way related to this Agreement as set forth above. Any permanent equitable relief, however, shall be solely adjudicated by the arbitrator who shall apply the applicable state or federal law in determining whether or not to grant equitable relief.

- A. Initiation of Arbitration. In no event shall the request for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations. Either Party can initiate arbitration by timely serving or mailing a written notice to the contact and address provided at the end of this Agreement. Any notice of arbitration that is served by mail shall not be deemed complete until five (5) days after the postmarked date.
- B. Arbitration Procedure. The arbitration shall be conducted by a single neutral arbitrator before JAMS, The Resolution Experts ("JAMS") and in accordance with the JAMS Rules. If the Parties are unable to agree on a single neutral arbitrator, the arbitrator shall be selected in accordance with the then current rules of JAMS. The arbitration shall be held in San Diego, CA, unless the parties mutually agree otherwise. The parties are entitled to representation by an attorney or other representative of their choosing. The prevailing Party shall recover all reasonable Fees associated with the arbitration. The arbitrator shall have the power to enter any award that could be entered by a judge of a trial court, and only such power, and shall issue a written and signed decision that sets forth findings of fact and conclusions of law upon which the decision is based. The arbitrator

shall follow the law and, except as otherwise provided herein, shall have no power to alter, modify, ignore, or otherwise deviate from the express terms of this Agreement. The parties agree to abide by and perform any award rendered by the arbitrator. Judgment on the award may be entered in any court having jurisdiction thereof, subject to the limited judicial review provided for by applicable state law, such as California Code of Civil Procedure §§1285-1288.

- C. Enforceability. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law, and shall be in accordance with the procedures established for arbitration under the state law. The parties understand that by agreeing to arbitrate their disputes, they are giving up their right to have their disputes heard in a court of law and, if applicable, by a jury.

#### **14. ATTORNEYS' FEES**

The prevailing Party in any court or administrative proceeding to enforce or interpret the provisions of this Agreement shall be entitled to recover reasonable attorneys' fees and costs incurred in the prosecution or defense of said action, in addition to any other relief to which that Party might otherwise be entitled.

#### **15. INTEGRATED AGREEMENT**

It is understood and agreed that this Agreement, including the attached exhibits, constitutes the complete understanding of the parties hereto with respect to the subject matter hereof, and all provisions, negotiations, and representations, whether oral or written, not included herein are hereby abrogated. This Agreement supersedes all prior agreements entered into between the parties, save for any provisions in the attached exhibits. This Agreement may not be changed, modified or varied except by written instrument signed by both parties.

#### **16. MATERIAL CHANGE**

In the event that Client operations change substantially, thus changing the scope and nature of exposures, losses, and/or insurance program(s), the Parties will negotiate in good faith to revise this Agreement's Compensation arrangement as appropriate. It is agreed and understood that a material change shall include a change in existing coverage or limits, and/or lines of coverage.

#### **17. SEVERABILITY PROVISION**

If any provision of this Agreement is held by a court of competent jurisdiction to be void or unenforceable for any reason, then the same may be severed from this Agreement without affecting the validity or enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

#### **18. SURVIVAL**

Any terms, conditions, warranties, and any other provisions evidently intended to have continuing effect, shall survive the completion of the performance, and the expiration or termination, of the Agreement.

## **19. NOTICES**

All notices or other communications shall be in writing and delivered to the addresses below the signatures to this Agreement. Such addresses may be changed by notice to the other Party in accordance with this Section. All notices, requests, and other communications given under this Agreement, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) five (5) business days after being sent by U.S. certified mail (charges prepaid); or (d) one (1) business day after being sent to the recipient by fax or email transmission.

## **20. WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy set forth herein will be deemed a waiver of any right or remedy. No waiver of any provision, breach, remedy, or right under this Agreement shall be valid or binding unless executed in a signed writing by the Party making the waiver. No waiver shall constitute a waiver of any other provision, breach, remedy, or right under this Agreement, nor shall any waiver constitute a continuing waiver.

## **21. HEADINGS AND CONSTRUCTION**

The Parties agree that the headings and sections of this Agreement are used for convenience only and shall not be used to interpret the provisions herein. The Parties also agree that the terms of this Agreement were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting Party shall not be employed in the interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date first above written.

ALLIANT INSURANCE SERVICES, INC.

CLIENT

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Address for Notices:

Address for Notices:

Alliant Insurance Services Inc.  
Christine Kerns  
First Vice President  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111

Monterey Peninsula College  
Stephen Ma  
Vice President for Administrative Services  
980 Fremont Street  
Monterey, CA 93940

## **Exhibit I – Scope of Services**

Broker agrees to provide consulting and insurance brokerage services for the College's current and future employee benefits, including group medical (includes prescription coverage), dental, vision, life, accidental death and dismemberment, short- and long-term disability, and an employee assistance program (EAP).

Broker will perform a full range of benefit program services related to the acquisition, implementation, maintenance, communication and improvement of the College's employee insurance benefits, including, but not limited to, the following:

1. Negotiation of annual renewal of coverages from carriers for Health, Major Medical, Prescription Drug, Dental, Life, Long Term Disability, and Vision coverage. Seek competitive quotes from other health benefit carriers and provide advice and recommendations for consideration. Preparation of all necessary bid specifications, evaluation of bids, coverage and premium analysis, and recommendation of carrier.
2. Review policies and endorsements for accuracy and conformance with negotiated coverages. Insure the timely issuance of policies and endorsements to the District.
3. Analyze and review all health benefit carrier proposed settlements, claims history, group utilization, reserves, claims processing, and other plan costs and expenses to provide information and recommendations to the District.
4. Assisting the District employees in setting claims or grievances relating to insurance benefits issues. Assist the District with health benefit plan administration, wellness and preventive insurance management and provide advice and guidance on new laws, regulations and procedures in the area of health benefit administration.
5. Assisting the District's personnel in processing of enrollments, terminations, changes, COBRA notification processes and applications, and other forms for administration and claims.
6. Providing the District administration with reasonable preliminary renewal figures during the budget process. The District must adopt a Tentative Budget before June 30 of each year.
7. Attend on request District meetings, Finance and Insurance Committee meetings, budget meetings, and other negotiation meetings, whenever necessary.
8. Assist the District's Human Resources Office with required employee presentations.
9. The Respondents ultimately selected through this RFP will be responsible for assisting District with all aspects of its health insurance consulting/brokerage services and for the management of all aspects of the District's health and welfare insurance programs; this includes but not limited to Medical, Prescription, Dental, Life, Long and Short Term Disability, and Vision programs, including but not limited to:

- a. Identifying issues and exposures and negotiating on District's behalf with insurance carriers; keeping District informed of significant developments affecting its insurance coverage. The Respondent selected as District's broker of record ("Broker") shall be authorized to represent and assist District in discussions and transactions with all insurance carriers, provided that the Broker shall not place any insurance on behalf of District unless so authorized in writing by District.
- b. Following up with insurance carriers for timely issuance of policies and endorsements placing coverage delivery binders to District prior to the expiration of the current policies.
- c. C. Reviewing policies and endorsements for accuracy and conformity to specifications and negotiated coverages.
- d. D. Updating and providing coverage summaries to District for all changes to existing coverages.
- e. E. The Broker shall monitor the claims status and assist District in obtaining timely resolution of the submitted claims.
- f. F. Reviewing all correspondence referred by District, and preparation of correspondence on behalf of District, if requested.

10. G. The Broker will be required to perform the following services:

- Assist with the development of and planning of long range health insurance strategies
- Recommendations and negotiations to procure health insurance coverages, prescription coverage, including assisting the Fiscal Department in the preparation of Requests for Proposals
- Assist in managing of all aspects of the District's welfare insurance program
- Analysis of proposals in connection with health insurance procurement, including, but not limited to, recommending selection criteria, marketplaces and assisting in an advisory capacity the evaluation of the same.
- Participation in on-going meetings with District personnel regarding insurance strategies and day to day operations of the District's health insurance needs
- As requested, assistance in the development of alternative strategies to reduce risk to assets and resources; consultation as to the probable impact of strategies elected by the District.
- Assist the District as a resource during employee education sessions
- Facilitate employee group sessions at open enrollments and/or when changes are introduced
- Create employee communication pieces/surveys as necessary/requested by the District.
- Monitor/ensure carrier compliance with plans, commitments, and facilitate carrier relationship with DISTRICT Market programs periodically



11. All annual rate renewal reports shall include the following:

- Executive Summary - include key findings and recommendations; (recommendations can include, in addition to rate actions, the removal plans or corrective actions, the issuance of a request for proposal, new benefit recommendations or deletions of old benefits, revised programs, etc), and historical highlights (overall historical trends in membership, reserves, trends, etc.)
- Enrollment history and claims trends
- Analysis of Health Care trends: methodology for prediction of trend
- Financial Projections - determination of past period to project need for renewal
- Development of Rate Renewal- as part of the analysis, for medical, prescription and dental plans analysis will include identification of plan costs and utilization trends and how those trends parallel or vary from known general experience for other carriers Statewide.
- Presentation of Premium Rates

12. Assistance in the Preparation of Written Materials

- Upon the written request of the District, the Broker shall provide expert assistance in the writing of technical brochures or technical sections of the District handbooks, language for rule revisions in the District Personnel Policy and other written materials.

13. Design of New Programs or Benefits

- Upon the written request of the District, the Broker shall provide expert assistance, underwriting/actuarial services, advice in the design of new benefits, and will independently recommend new programs.

14. Evaluation of Proposed or Enacted Legislation

- The Broker is expected to immediately advise the District of pending or enacted Federal and State legislation affecting the District. Upon the written request of the District, the Broker shall advise of the financial/administrative impact of State or Federal legislation on the District and assist in the implementation of changes made necessary by such legislation.

15. Analysis of Covered Service Area Expansion

- For the purposes of providing an adequate choice of plans for the District's employees, the Broker, upon written request of the District, shall analyze service areas of current plans and provide recommendations regarding design and expansion of coverage plans.

## **Exhibit II – Compensation**

- A. Standard Services:** Services associated with this Compensation schedule are defined in Exhibit I.
- B. Alliant Specialty Insurance Services (ASIS):** In addition to the Compensation that Alliant receives, its related entity, Alliant Specialty Insurance Services (ASIS) and its underwriting operations, Alliant Underwriting Services (AUS), may receive compensation from Alliant and/or carriers for providing underwriting services. The financial impact of the compensation received by ASIS is a cost included in the premium. Compensation received by ASIS will be disclosed in writing to Client and is agreed to by Client as part of the premium. Client further acknowledges that Alliant and ASIS maintain an arm's length relationship. Client understands that while Alliant represents Client as an individual entity, ASIS independently administers its program as a whole and not on behalf of any particular member.
- C. Special Compensation:** Agent or broker Commissions are customarily paid by the insurance carrier as a percentage of the premium. In addition to Compensation received for such services, the brokerage firm, or a related entity, may also receive Compensation for additional services provided to either the client or the insurance carrier. To the extent such Compensation exists, it is included in the cost of the insurance offering. These additional services could include, but are not limited to: Underwriting services, program administration services and other services provided to either the client or the insurance carrier. While these services are included in the cost of the insurance offering, any services contracted for by the client directly will be invoiced accordingly. With exception, the brokerage firm may also receive income as a result of a contingent income agreement with the insurance carriers. Exceptions are as follows:
- i. Monterey Peninsula College will "opt out" of having the premiums associated with their placements included in any contingent income agreement that Alliant may enter into.
  - ii. Placements on behalf of federal or state governmental entities, or any political subdivisions thereof, are excluded from participation in any contingent income agreement that Alliant may enter into.
- D. Changes in Services.** The Fee is subject to adjustment if Client requests a change in Services and/or employee benefits insurance or products, or if the Client's size or organization changes to alter the time involved in the Service. Tasks or functions that are not presently included in the Service may be available on a "per service basis" for a separate Fee.
- E. Payment.** The Fee shall be paid monthly, quarterly, or as otherwise agreed upon by the Parties. Payment shall be due no later than forty-five (45) days from the date of the invoice.

The Parties agree to the following:

The Fee for Services outlined in Exhibit I will be a Fee of fifty thousand dollars (\$50,000) per year.

## **Service Guarantee**



Alliant Insurance Services, Inc. is committed to delivering all Services at the highest quality levels. In recognition of that commitment to quality, we will place up to 25 percent (25%) of the Fee outlined above at risk

The categories of this Service Guarantee are:

1. Execution of client deliverables (50%) – Reimbursed if deliverables do not meet Client's satisfaction
2. Service and support (50%) – Reimbursed if service and support of Client with decision making tools, attendance at meetings, and assistance for any implementation of new benefits/products and transition of carriers do not meet Client's satisfaction.

The Client can invoke the terms of this guarantee. All categories are based solely on client satisfaction level.



## **Monterey Peninsula College Change in Third Party Administrator Effective January 1, 2012**

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Monterey Peninsula College (MPC) currently has medical plan administration services through the Keenan TPA. MPC has had consistent problems with the service provided, including but not exclusive to, claim delays, inconsistent claim payment, reporting inconsistencies, and questions regarding payment in accordance with the summary plan document (SPD). The College's new Consultant, Alliant Insurance Services was asked to conduct a marketing of alternative third party administrators who could provide access to the Anthem Blue Cross network.

TPA vendors have provided quotes specific to the scope of services needed by MPC. A thorough analysis and evaluation by District administration and the H&WCCC has determined that Delta Health Systems (DHS) provides the most comprehensive and cost effective administration services for MPC. DHS is able to administer MPC's plan design, network tiering and also provides access to our current Anthem Blue Cross network providers. DHS will conduct a thorough review of the summary plan description (SPD) in order to ensure that claims are paid consistently. In addition, MPC's routine administrative process includes processes and procedures for correct payment of third party liability claims, i.e. worker's compensation, subrogation, etc. In addition to processing claims, DHS' administrative capabilities provide administrative efficiencies in the District's benefits administration through an electronic interface with MPC carriers.

DHS will continue to provide a Diabetes Disease Management Program. In addition, DHS also provides additional disease management programs. In order to best determine costs and return on investment, these additional programs will be evaluated after 6 months of claims payment. DHS' Disease management programs are an expansion to our current Diabetes program and also include the following high risk conditions: asthma, diabetes, congestive heart failure, coronary artery disease, COPD, chronic pain, hyperlipidemia and hypertension. These voluntary programs are designed to assist employees and dependents in better managing high risk conditions and have proven to impact quality of life as well as impacting future claims costs.

DHS provides an improvement to the existing claims payment and customer service. This will help to ensure that accurate data and reporting is provided in order to apply appropriate cost data in each year's renewal and Three-Phase evaluation.

The HWCCC met to discuss the TPA transition and the best ways to ensure that all employees receive communication about this change. One of the key issues to consider is the effective date of the change. Because the College's benefits are administered on a Calendar Year basis, i.e. Deductibles and Out-of-Pocket expenses, it is important to make this TPA change effective January 1, 2012. This will ensure that claims are paid appropriately throughout 2012, eliminate customer service issues and member distribution.

The information provided below is a summary of the TPA change effective January 1, 2012:



#### **MPC Benefits, Costs & Anthem Blue Cross Network**

- This change DOES NOT impact your current benefit plan
- There are NO CHANGES to the current benefits provided by MPC
  - Every effort is being made to ensure that benefits are interpreted by the new TPA in the same way that they are currently interpreted. The goal will be to honor the current benefit interpretation. The Summary Plan Document will be updated with more details and in a format that is more user-friendly.
- There is NO CHANGE to the employee/retiree contribution
- There is no change to the network – you will continue to have access to the Anthem Blue Cross network of physicians and hospitals

#### **Deductible Carryover**

- MPC's current benefit plan allows that Deductibles met in October, November & December of 2011 also apply to the 2012 Deductible. Keenan TPA will provide reports to the new TPA that will outline deductibles met in 2011 so that claims can be paid appropriately for individuals who satisfied any portion of their deductible in the last 3 months of 2012.

#### **Employee Meetings & Communications**

- Meetings will be held during the 1<sup>st</sup> week of December
- Written communication materials will be sent to your home and will also be available through Human Resources

#### **Claims Payment**

- 2011 Claims will continue to be paid by Keenan TPA
- 2012 Claims will be paid by Delta Health Systems (DHS)

#### **ID Cards**

- You will receive a new ID card prior to January 1, 2012

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. F

Administrative Services  
College Area

### **Proposal:**

That the Governing Board authorize the Vice President for Administrative Services to enter into an agreement with Delta Health Systems as the Third Party Administrator for the District's Employee Group Benefit Program, effective December 1, 2011, pending ratification by MPCTA. No ratification is required by MPCEA.

### **Background:**

Monterey Peninsula College District currently has medical plan administration services through the Keenan TPA since October 1, 2007. In the past 18 months, MPC has experienced consistent problems with the service provided, including by not exclusive to, claim delays, inconsistent claim payment, reporting inconsistencies and questions regarding payment in accordance with the Summary Plan Document. In the spring of 2010-11, staff with the support of H&WCCC requested that Keenan, serving as health benefits consultant, initiate a Request for Proposals for a new TPA. Six firms responded to the RFP including Keenan TPA, Delta Health Systems, and Pinnacle Claims Management. With the termination of Keenan as health benefits consultant, the firm recently notified MPC that we could not stay with their TPA services without retaining brokerage services. This accelerated MPC's search for a new TPA in light of the optimal calendar year changeover.

The District requested Alliant Insurance to review the RFP started by Keenan consulting services and to confirm pricing and proposed scope of services. In the course of review of the RFPs, it was determined that only those TPA's who could provide access to the Anthem Blue Cross network would be considered to minimize disruption to employees. Two TPA vendors, Delta Health Systems (DHS) and Pinnacle Claims Management, provided quotes specific to the scope of services needed by MPC. District staff has met DHS representatives and feels they can provide the most comprehensive and cost effective administration services for the District. DHS is able to administer MPC's plan design, network tiering and also provides access to current Anthem Blue Cross network providers. DHS will conduct a thorough review of the summary plan description (SPD) in order to ensure that claims are paid consistently. In addition, MPC's routine administrative process include process and procedures for correct payment of third party liability claims, i.e. worker's compensation, subrogation, etc. Additionally, DHS will coordinate payment of large claims with the stop loss carrier to ensure MPC does not pay claims which should be covered by the reinsurer.

In addition to processing claims, DHS' administrative capability includes maintenance of eligibility for all lines of coverage, i.e. dental, vision. This will streamline benefits administration and will allow for efficiencies. Retiree billing and COBRA administration services are included. DHS also provides additional disease management programs that would have a positive impact of claims costs for MPC. In order to best determine costs and return on investment, these programs will be evaluated after 6 months of claims payment. Disease management programs are designed to assist employees and dependents in better managing high risk conditions such as asthma, diabetes, congestive heart failure,

coronary artery disease, COPD, chronic pain, hyperlipidemia and hypertension. These voluntary programs have proven to impact quality of life as well as impacting future claims costs.

Due to the compressed timeline for the TPA changeover, staff has begun to develop an implementation plan. The plan will call for new medical and pharmacy identification cards to be issued to employees and retirees prior to January 1, 2012. In the coming weeks, staff, Alliant and the DHS will be provide mailers and information sessions to active employees and retirees to explain changes. **There will be no change to benefits, network providers, or employee costs with the proposed change in TPA.**

**Budgetary Implications:**


In reviewing DHS's administrative agreement proposal, both implementation costs and ongoing fees were considered. The annual administrative fee for DHS TPA services is slightly higher (\$15,703 or 7.9%) than Keenan's fee. Additionally, DHS does charge a one-time setup fee of \$9,650 in the first year. Staff is recommending the one-time set up fee not be included in the P&C reports and be funded by the self insurance reserve. DHS should provide an improvement to the existing claims payment and customer service which cannot be measured in dollars. Their expanded disease management program will be examined in greater depth with the H&WCCC. Alliant has indicated the use of these programs has demonstrated reduced medical expenses to plans. These reduced medical claims should more than offset the slight increase in TPA administrative fees.

☒ **RESOLUTION: BE IT RESOLVED**, That the Governing Board authorize the Vice President for Administrative Services to enter into a an agreement with Delta Health Systems as the Third Party Administrator for the District's Employee Group Benefit Program, effective December 1, 2011, pending ratification by MPCTA. No ratification is required by MPCEA.

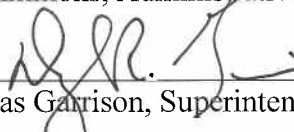
**Recommended By:**

  
\_\_\_\_\_  
Stephen Ma, Vice President for Administrative Services

**Prepared By:**

  
\_\_\_\_\_  
Suzanne Ammons, Administrative Assistant

**Agenda Approval:**

  
\_\_\_\_\_  
Dr. Douglas Garrison, Superintendent/President

**DELTA**  
**HEALTH SYSTEMS**  
ADMINISTRATION SERVICES

**HEALTH PLANS**  
made *easy*

## **ADMINISTRATIVE AGREEMENT**

Between

**Delta Health Systems**

and

**Monterey Peninsula College**

Effective: January 1, 2012

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## ADMINISTRATIVE AGREEMENT

This Administrative Agreement (herein after referred to as "Agreement"), dated as of January 1, 2012, shall be between:

- Monterey Peninsula College (herein after referred to as the "Client"), having its principal office at:
  - 980 Fremont
  - Monterey, CA 93940

**and**

- **Delta Health Systems** (herein after referred to as "DHS"), a California corporation having its principal office at:
  - 3244 Brookside Road, Suite 200
  - Stockton, CA 95219-2381

The **Client** has three roles, as defined by Employee Retirement Income Security Act of 1974 (ERISA) under this Agreement:

1. **Plan Sponsor:** Establishes an employee welfare benefit plan (herein after referred to as the "Plan") for the purpose of providing certain benefits to eligible participants.
2. **Plan Administrator:** The person/entity designated by the terms of the Plan Document/Summary Plan Description, and if no administrator is named, then the Client.
3. **Fiduciary:** The Client has the ability to exercise discretion and control over the Plan.

DHS has entered into a contract, at the request of the Client, and is the Third-Party Administrator (herein after referred to as "TPA"); the TPA's role is to provide administrative services for the Plan at the direction of the Client, subject to the following terms and conditions.

**IMPORTANT:** This Agreement is the complete agreement between DHS and the Client and replaces any prior oral or written communications between them. This Agreement may only be modified by a written document executed by DHS and the Client.

## **DUTIES AND RESPONSIBILITIES**

## DHS Duties and Responsibilities

DHS shall assume responsibility for the specific administrative duties, as outlined in this Agreement. DHS will perform additional administrative duties resulting from changes in benefit plans or procedures as the Client may legally, properly and reasonably assign for a fee agreed upon in advance in writing.

**Important:** DHS is not responsible for the work performed by any prior third party administrator, nor does DHS agree to reevaluate, reprocess or readjust claims or work previously done by a prior third-party administrator unless otherwise agreed upon between DHS and the Client.

During the term of the Agreement, DHS agrees to perform the services as outlined in this section.

## Claims Processing

DHS will:

- review, process and adjust claims, in accordance with the Plan Document/Summary Plan Description, which are incurred on or after the effective date of this Agreement and are received by DHS prior to the termination of this Agreement.
- communicate in appropriate instances with physicians, hospitals and other persons or institutions supplying medical or other services, in order to clarify or verify claims.

Claims processing includes:

- verifying eligibility;
- checking for pre-existing conditions, if applicable in the Plan Document/Summary Plan Description (as defined under *Employee Benefits Communication* in this section);
- coordinating benefits with other group plans, auto insurance coverage, workers' compensation and any other applicable benefit plans;
- applying contractual and reasonable and customary allowances to billed charges;
- applying deductibles and coinsurance; and
- upon receipt of funds from the Client, sending explanations of benefits and non-assigned claim drafts (if any) to the employee and/or dependent and assigned claim drafts to the service providers.

Claims processing also may involve review by independent physicians, dental consultants and consulting attorneys.

**Important:** It is specifically agreed that DHS will **not** have the authority to make a determination with respect to claims decisions requiring the use of discretion.

## Run-Out Claims

In the event the Client does not elect to enter into a run-out agreement with DHS with respect to claims received after the termination of this Agreement ("Run-Out Claims"):

- DHS shall have no responsibility with respect to Run-Out Claims.
- In such event, DHS shall either return any Run-Out Claims received to the providers or to the Client, as shall be directed by the Client in writing.
- In the event the Client does not direct DHS as to return of the Run-Out Claims, DHS shall return them to the providers.
- DHS phone lines will remain in use for thirty (30) days following the termination date.
- DHS website access will be provided for a maximum of sixty (60) days following the termination date.

- In the event the Client requires DHS to retrieve facsimiles of all original claims submitted to the Plan, the Client agrees to pay DHS an additional fee set forth in the *Fees* section for labor necessary to retrieve such documents.
- If claims are paid through a DHS managed bank account, the account will remain open for two (2) months after the termination of this Agreement. At the end of two (2) months, the account will be closed and any balance in the account will be forwarded to the Client with a list of outstanding checks.

### ***Run-In Claims***

DHS will review, evaluate and process claims, in accordance with the Plan Document/Summary Plan Description, which were incurred prior to the Effective Date of this Agreement and are received by DHS prior to the termination of this Agreement ("Run-In Claims"), except for decisions requiring the use of discretion, which are addressed in the *Client Duties and Responsibilities* section.

### ***Excess Loss Claims***

DHS will file requests for reimbursement for claims exceeding the stop loss or excess loss insurance attachment point to the insurance carrier and review such reimbursement. DHS also will provide such other notices regarding claims as may be required by the carrier.

### ***Cost Containment***

DHS can provide different cost containment services for a fee. If the Client contracts with an independent party to provide cost containment services, then the independent party's fees are in addition to DHS's administrative fees set forth in the *Fees* section.

### ***Delta Network Advantage***

DHS can assist the Client in negotiating facility charges for claims falling outside the primary PPO Network. DHS will attempt to negotiate payment terms for all non-network facility claims billed over \$5,000 and surgery center claims billed over \$2,500, both inpatient and outpatient services. All negotiations will be conducted via signed and dated contracts between facility and/or providers and DHS.

DHS's fees for this negotiation service will be based on a percentage of savings off the billed charges and outlined in the *Fees* section. This service is optional; if no election occurs, non-network facility claims will be paid in accordance with the Client's benefit structure.

### ***Denials and Appeals***

As required by the Plan Document/Summary Plan Description and applicable law, DHS will notify participants in the Plan or their assignees of any denial of their claim and the right to appeal the denial. DHS will make benefit decisions only where the use of discretion is not required. Upon request of the client, an external reviewer may be used in making benefit decisions that do require the use of discretion.

### ***Employee Benefits Communication***

See the *Fees* section regarding the charges for the following booklets, documents and consultation.

- **Plan Document/Summary Plan Description (SPD):** DHS can amend or rewrite documents required by law to communicate the benefits available to participants in the Plan.
- **Summary of Benefits and Coverage (SBC):** As required by PPACA (description based on regulations not yet finalized).

- **Plan Amendments:** An amendment is required for ALL plan changes; an amendment provides clear, irrefutable evidence of exactly which requested/required changes were made to a SPD.

All employee benefit communication materials provided by DHS must be approved by the Client and the Client's legal staff. DHS shall be indemnified and held harmless against all claims, damages, liabilities, reasonable attorneys' fees and expenses in connection with any claim, action, suit, proceeding, settlement or compromise thereof, relating to such employee benefit communication materials.

In the event the Client elects to prepare, or have a third party prepare, its Plan Document/Summary Plan Description or amendments, the Client acknowledges and agrees that DHS shall have no responsibility or liability in connection with such documents.

### **Forms 1099**

DHS will issue Forms 1099 for providers of services, as required, by law.

### **Government Required Filings**

DHS will provide data to the Client for filing documents with governmental agencies as required under Federal regulations (i.e., Patient Protection and Affordable Care Act).

### **HIPAA Administration**

DHS will assist the Client with the Client's HIPAA administration, including:

- preparing certificates of creditable coverage,
- sending such certificates of creditable coverage to individuals when the individuals:
  - cease to be covered under the Plan,
  - become covered under COBRA,
  - cease COBRA coverage, or
  - request certificates of creditable coverage within 24 months of termination of coverage, and
- providing information on categories of benefits upon request and upon payment of the costs of such disclosure by the party requesting the information.

### **Managerial Services**

DHS will perform such additional managerial services with respect to the administration of the Plan as may be agreed to by the parties from time to time during the term of this Agreement. DHS reserves the right to charge for services not outlined in this section or otherwise not considered standard administrative duties and responsibilities.

### **Medicare Secondary Payer Reporting**

As required by the Medicare Secondary Payer Mandatory Reporting provision in Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007, as amended, DHS will submit Group Health Plan (GHP) entitlement information about employees and dependents to the Coordination of Benefits Contractor (COBC) on a monthly/quarterly basis based on the requirements set forth in the Medicare Secondary Payer Mandatory Reporting provision.

### **Monthly Reporting**

DHS will provide the Client with a monthly check register and a monthly accounting of the self-funded claims activity. If claims are paid through a DHS managed bank account, then the following will be provided on a monthly basis:

- the fund beginning balance,
- paid claims,
- deposits made, and
- ending fund balance.

### **Premiums and Fees**

DHS will:

- provide a monthly invoice to the Client for stop loss, excess loss or similar insurance premiums, administrative fees and any other agreed-upon premiums or fees, and
- remit applicable premiums and fees monthly to insurance carriers and other service providers.

### **Standard Employee Benefit Materials**

DHS will provide all standard supplies necessary with respect to the Plan, including:

- Welcome Packets for new hires,
- claim forms,
- benefit determination letters (including denial letters),
- Explanation of Benefits (EOBs),
- Third Party (TPL) Questionnaires,
- Workers' Compensation Questionnaires, and
- Coordination of Benefit Questionnaires.

For additional information see *Employee Benefits Communication* later in this section, as well as *Optional: Employee Benefits Communication* under the *Fees* section.

### **State Surcharge Filings**

DHS will file reports with the State of New York (regarding the reporting responsibilities and notification procedures for third party administrators under the New York State Health Care Reform Act) and with the State of Massachusetts (regarding the distribution of Forms 1099-HC under the Massachusetts' 2006 Health Care Reform Act).

### **Vendor Administrative Services**

DHS will provide eligibility electronically and through FTP encryption with all vendors effective as of the date of the Administrative Agreement between DHS and the Client.

### **Disclosure**

DHS may receive administrative and/or marketing fees from associated vendors or partners that are used to cover costs for data feed and eligibility exchanges including claims data, reporting, special requests and administrative services for the Plan.

### **Prescription Drug Vendors ONLY (Under DHS Contract with Vendor)**

DHS will arrange with the Client-designated Pharmacy Benefit Manager (herein after referred to as a "PBM") for:

- the provision of prescription drug and drug utilization review services,
- a mail order pharmacy program, and
- a specialty drug program through a PBM pharmacy network.



The Client acknowledges and hereby assigns the rights to DHS to receive payment directly from a PBM for any formulary rebates resulting from the inclusion of pharmaceutical manufacturers' products on the Preferred Products List dispensed to Plan Participants. DHS shall pass on 100% of the rebates to the Client.

### **Exclusions**

DHS, under the terms of this Agreement, is solely the third-party administrator of the plan; DHS does **NOT**:

- Have a fiduciary responsibility for exercising decisions made by the Client or as in compliance with provisions outlined in the Plan Document/Summary Plan Description.
- Have discretionary authority or discretionary control regarding:
  - management of the funds,
  - payment or non-payment of claims, or
  - any other determination with respect to the Plan and the participants' rights in the Plan.

To the extent discretion must be used in making any decision regarding a claim or an appeal of a denial, DHS shall refer the claim, together with its recommendation and any medical information needed to make a determination with respect to the claim, to the Client, who shall have the sole authority to make discretionary decisions with respect to the Plan.

- Provide legal or consultative advice in terms of what benefits should be provided under the Plan and/or how benefits need to change for compliance with federal and state legislation.
- Provide a legal review by a licensed attorney acting on behalf of the Client for any/all documents prepared by DHS; including but not limited to Plan Documents/Summary Plan Descriptions.
- Hold any responsibility or liability for the adequacy of funds in the Plan in order to pay for benefits.

DHS encourages the Client to seek legal counsel for any/all documents required under federal and state legislation to ensure compliance with all applicable laws.

## Client Duties and Responsibilities

During the term of this Agreement, the Client agrees to the following obligations and requirements; additional information is provided in the *Fees* section.

The Client acknowledges that it is the Plan Sponsor, Plan Administrator and Fiduciary of the Plan. This provision may be disclosed by DHS in any communication, whether oral or written, including, without limitation, periodic statements to the Client or the Plan participants.

The Client acknowledges that it has the exclusive responsibility for the design and funding of the Plan, including all amendment(s) to the Plan; however, the Client must provide notice to DHS of all plan changes.

## COBRA Qualifying Events

The Client will advise DHS promptly of a COBRA qualifying event. In addition, unless otherwise indicated under the *Fees* section of this agreement shall also:

- provide all initial notices required by COBRA, and
- notify Retirees and COBRA Participants of all Open Enrollments, and
- notify Retirees and COBRA participants of all benefit changes.

## Compliance with Laws

The Client will be responsible for compliance with applicable federal and state laws; including but not limited to all materials provided to employees.

## Documentation Timeframe

The Client will have final authority and responsibility with respect to the Plan Document/ Summary Plan Description, including the initial documentation and any amendments thereof. Executed (signed) documents must be received by DHS before any changes can be made. This documentation must be provided **30 days before the effective date** of the change in order to allow DHS sufficient time to implement such changes or amendments.

## Eligibility and Enrollment

No later than the 5<sup>th</sup> of each month, the Client will supply DHS with all information required with respect to employees and dependents eligible to participate in the Plan and who are enrolled in the Plan. The Client shall provide DHS with weekly notification changes regarding the eligibility status of all Plan participants. The Client will fund such eligibility premiums no later than the 15<sup>th</sup> of each month or a 1.5% late fee will apply toward the DHS administrative fee.

## Establishment and Amendment of the Plan

The Client will have exclusive authority to establish, amend and terminate the Plan, including the determination of benefits offered under, and eligibility to participate in, the Plan. ALL plan changes require an amendment. The Client has the choice of having DHS prepare amendments (for a fee) or the Client can prepare an amendment on its own behalf and send an executed (signed) amendment to DHS. *Note: DHS's consent to make any plan changes (i.e., amendment) is not required; however notification of a plan amendment is required.*

## Excess Loss Insurance

The Client will:

- determine if excess loss insurance coverage is needed,
- obtain such insurance coverage,

- determine the terms and conditions of such coverage, and
- provide the funds needed to pay the premiums for the excess loss insurance.

The Client shall advise DHS promptly upon acquisition of any new or different insurance contract or adjustment in the premium rate or other changes in the Client's organization which might affect the status of the Plan.

### **Final Authority**

The Client will have final authority with respect to all claims determinations and operations of the Plan.

### **Funding**

The Client will have the responsibility to provide funds for payment of benefit claims under the Plan. DHS has no responsibility or liability for the adequacy of funds in the Plan. Claims will be paid by DHS only to the extent of funds made available to DHS by the Client.

The Client will provide funds to cover its responsibilities under this Agreement through wire transfer or such other method of funding as the Client, in its sole discretion, may from time to time select, including, but not limited to, the maintenance of a zero balance bank account. Any funds provided by the Client shall, to the fullest extent permitted by law, remain the exclusive property of the Client; the Plan shall have no interest, beneficial or otherwise, in those funds.

**Important:** In the event the Client fails to provide funds for payment of claims within thirty (30) days of receipt of notice of liability from DHS, DHS will notify Plan participants of the Client's inability to fund processed claims.

### ***Delay in Funding***

In the event that a delay in funding by the Client causes any discounts to be no longer available, the Client agrees that DHS shall have no liability with respect to the unavailability of those discounts. The Client shall indemnify and hold DHS harmless against all claims, damages, liabilities, reasonable attorneys' fees and expenses in connection with any claim, action, suit, proceeding, settlement or compromise relating to such lost or rescinded discounts.

### **Payment of Fees, Printing Costs and Plan Expenses**

Except as otherwise provided in this Agreement, the Client shall be solely responsible for all costs and expenses incurred in providing benefits under the Plan, including, but not limited to, all costs for professional services contracted for in connection with the administration of the Plan. See the *Fees* section for additional information.

### **Requested/Additional Information**

The Client will provide DHS with such additional information incidental to the Plan as may be requested by DHS.

## FEES

## FEE SCHEDULE

The following abbreviations used in the fee schedule are defined as:

- **PEPM:** Per Employee Per Month
- **PEPY:** Per Employee Per Year
- **PPPM:** Per Participant Per Month
- **PPPY:** Per Participant Per Year
- **PRPM:** Per Retiree Per Month

### Ongoing Monthly Fees

These fees will be billed on a monthly basis, along with any other services selected under the terms of this Agreement.

DHS Responsibility	Function	Fee
✓	<p><b>Claims Administration: Medical, Dental, Vision</b>            This rate <i>includes</i> the following services from DHS:</p> <ul style="list-style-type: none"> <li>▪ HIPAA certificates of creditable coverage,</li> <li>▪ website access to claims, eligibility and benefits,</li> <li>▪ online monthly reports and ad hoc reporting,</li> <li>▪ My ePhit for employees only (i.e., not dependents),</li> <li>▪ eligibility and premium collection, and</li> <li>▪ reporting for medical coverage.</li> </ul> <p><i>Note: Separate administrative fees may be implemented based on future discussion of plan coverage options that do not include medical coverage. Fees for standalone coverage options such as dental/vision, dental only or vision only may be imposed. This also applies to COBRA administration for Fully Insured membership. Items requiring pre-certification or UR/CM beyond the standard scope of service may be subjected to additional charges.</i></p>	<p>Year 1- \$20.00 PEPM            Year 2- \$20.00 PEPM</p> <p>Additional \$1.00 PEPM for utilizing BlueCard (also includes CA with travel benefits)</p>
✓	<p><b>Retiree Billing</b>            This rate <i>includes</i> the following services from DHS:</p> <ul style="list-style-type: none"> <li>▪ Distribution of monthly retiree billing statements,</li> <li>▪ collection of premium,</li> <li>▪ monthly reconciliation</li> </ul>	\$5.50 PRPM

### One-Time Set Up Fees: Implementation

These fees will only be required during the initial set-up and implementation for the Client.

DHS Responsibility	Function	Fee
✓	<b>One Time Set Up Fee</b> This rate <i>includes</i> the following services from DHS: <ul style="list-style-type: none"><li>plan build,</li><li>programming, and</li><li>testing.</li></ul> Requirements: <ul style="list-style-type: none"><li>60-day minimum lead time for implementation,</li><li>all benefit changes made during implementation require a signed amendment; and</li><li>nonrefundable for expenses incurred by DHS.</li></ul>	\$7,500.00
✓	<b>Run-In Fees</b>	Processing fee equal to \$14.50 per claim

### Self Pay Notices and Fees for Retirees and COBRA Participants

If elected, these fees will be billed on a monthly basis, in accordance with terms of this Agreement.

DHS Responsibility	Function	Fee
✓	<b>Self Pay Administration</b> [(COBRA, Retirees, Leave of Absence); includes notification to participants of all open enrollments and benefit changes.] <ul style="list-style-type: none"><li>Under 2,000 employee lives</li><li>Over 2,000 employee lives</li></ul>	<ul style="list-style-type: none"><li>\$1 + \$8/Self Pay participant per month</li><li>\$0.50 + \$8/Self Pay participant per month</li></ul>

### Services Included

- Notifying retirees and participants of their rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (herein after referred to as "COBRA") and the American Recovery and Reinvestment Act of 2009, as amended (herein after referred to as "ARRA") upon notification of a qualifying event by the Client or a participant for all terminated plan participants.
- The notification will include information about monthly billing, collection and disbursement of premiums and eligibility for participants electing coverage under COBRA. The following COBRA letters are included in the fees outlined above:
  - Initial COBRA Notification,
  - Qualifying Event Election,
  - Early Termination of Coverage,
  - Termination/Conversion, and
  - Unavailability of Continuation Coverage.

**Important:** The Client is responsible for notifying retirees and COBRA participants of all open enrollments and benefit changes, as required by law, unless specifically delegated to DHS.





## Ancillary Fees

The following ancillary fees may be incurred by the Plan, in addition to DHS's administrative fees.

Function	Fee
<b>Auditors</b>	5 hours for responding to internal auditors' requests are included at no charge and then \$110 per hour thereafter. DHS will not charge the Client to assist with outside auditors' requests. Additional fees will be charged for contingency audits.
<b>Banking Fees</b>	The Client shall be responsible for all banking fees.
<b>Consultant Fees</b> Fees of medical and dental consultants and any consulting attorneys requested at the direction of the Client.	Passed on to the Plan at cost.
<b>Customized Data Analysis</b> Including Specialized Reports	5 hours per calendar quarter at no charge. Additional hours will be charged at \$150 per hour based upon staff level required to complete the task.
<b>Customized Mailings</b>	Printing and mailing costs will be passed on to the Plan plus a 10% handling fee.
<b>Delta Analytics Reporting Services</b> <ul style="list-style-type: none"> <li>Standard online report.</li> <li>Customize specialized reports that are outside the scope of DHS's pre-defined reports.</li> </ul>	<p>No charge</p> <p>Additional fees may apply</p>
<b>Employee Benefit Fairs and/or Customer Service Site Visits</b> <ul style="list-style-type: none"> <li>A DHS representative will be available for a maximum of 3 days per year for benefit fairs and service site visits.</li> <li>Additional days</li> </ul>	<p>No charge</p> <p>\$750/day</p>
<b>Healthcare Identification Cards</b> Fees associated with card layouts or special print requests  <i>Note: If the PBM distributes the PPO cards for the Client, then DHS will not assess a fee for the employee and dependents. If the Client requests DHS to distribute the cards, then the costs above will apply.</i>	Passed on to the Plan at cost; charges may vary upon each request and will be provided prior to printing. \$1.75 per color/plastic card.
<b>Late Fees</b>	DHS will impose a 1.5% late fee on any invoice and/or billing statement if payment is not received within 15-days from the date of the invoice and/or billing statement.
<b>Reprocessing Fee</b> In the event a retroactive amendment results in the need to reprocess claims	\$14 per claim.
<b>Termination of Agreement (No Run Out)</b>	\$50 per hour for labor necessary to retrieve copies of all original claims submitted to the Plan.
<b>Translation</b> Translation services needed for claims processing.	Passed on to the plan at cost plus a 10% handling fee.

## Fee Notices

- **Other Expenses** – For any other expenses incurred by DHS in connection with administration of the Plan, DHS agrees to bill such expenses, limited to the actual amount of cost to DHS plus a 10% handling fee. The Client shall have access to records of said costs, provided that such expenses are approved by the Client in advance.
- **Vendor Fees** – Vendor pass-through fees are subject to annual vendor adjustment.

## Optional: Administrative Service Fees

DHS Responsibility	Function	Fee
✓	<b>Legislative Coverage Notice</b> DHS will mail necessary legislative update/change notices to all members. <b>Important:</b> Any materials requested will be drafted at \$110/hour; DHS will present a proposal to the client before any work begins.	\$350 for data retrieval plus \$0.95 per letter to include printing, shipping and postage.
✓	<b>Out-Of-Network Repricing Services</b> The Client agrees to reimburse DHS or DHS's selected third party vendor(s) for: <ul style="list-style-type: none"> <li>▪ negotiating discounts off billed charges from out-of-network providers, and/or</li> <li>▪ claims that fall outside of both layers of PPO networks that will be considered for Delta Network Advantage fee negotiations. <i>Note: Delta Network Advantage will attempt to negotiate terms for all non-network (inpatient or outpatient) facility claims. All negotiations will be conducted via signed and dated contracts.</i></li> </ul>	Client reimbursement to DHS or DHS's selected third party vendor(s) equal to 25% of the savings.
✓	<b>Subrogation</b> <ul style="list-style-type: none"> <li>▪ For expenses incurred by DHS in connection with recovery of Plan assets through a Plan subrogation provision.</li> <li>▪ If the Client chooses to utilize the services of an outside subrogation vendor</li> </ul>	<ul style="list-style-type: none"> <li>▪ DHS shall be compensated at the rate of 25% of the amount recovered</li> <li>▪ the Client agrees to pay DHS a fee of \$75 per hour of labor necessary to retrieve documentation requested by the vendor.</li> </ul>

**Optional: Program Fees**

The following abbreviations used in the fee schedule are defined as:

- **PEPM:** Per Employee Per Month
- **PPPM:** Per Participant Per Month

<b>DHS Responsibility</b>	<b>Function</b>	<b>Fee</b>
NA	<b>Flexible Spending Accounts</b> DHS's FSA program includes an automated rollover feature, which automatically reimburses plan participants for eligible expenses from participating providers.	\$7 PPPM for health or dependent care; \$10 PPPM for both
NA	<b>HRA Administration</b> Includes My ePHIT (employcc only)	\$4.25 PPPM
NA	<b>My ePHIT</b> My ePHIT Buy Up Option (for dependents)	\$0.20 PEPM

**Optional: Delta TeamCare Fees**

Delta TeamCare is the health and wellness division within DHS. Delta TeamCare may provide care management solutions for DHS's clients. Solutions may include Utilization Review, Case Management, Population Health Management, Delta Health Connect and other wellness programs. The Client may utilize all of Delta TeamCare's services, or the Client may opt to provide participants with a limited unit of Delta TeamCare's programs. See the Delta TeamCare Appendix for additional information on services and offerings.

The following abbreviations used in the fee schedule are defined as:

- **PEPM:** Per Employee Per Month
- **PPPY:** Per Participant Per Year

<b>DHS Responsibility</b>	<b>Function</b>	<b>Fee</b>
NA	<b>Delta TeamCare: Delta Health Connect</b> This rate <i>includes</i> the following services for Delta Health Connect: <ul style="list-style-type: none"> <li>▪ Billed as a claim as stipulated under Wellness Benefit in plan design</li> <li>▪ Onsite evaluations (per participant; may be billed as a claim stipulated under Wellness Benefits in plan design)</li> <li>▪ Individual and aggregate reporting, including the Interactive Health Index (IHI) compliance program</li> <li>▪ Personal health coaching</li> <li>▪ Website access and resources</li> <li>▪ Incentive administration</li> </ul>	\$200 PPPY
NA	<b>Delta TeamCare: Employee Assistance Program (EAP)</b> This rate <i>includes</i> the following services for EAP: <ul style="list-style-type: none"> <li>▪ 24/7 dedicated toll free line</li> <li>▪ Referrals and corporate training services</li> <li>▪ Critical incident response services</li> <li>▪ Program promotion and reporting</li> <li>▪ Work life benefits and website</li> <li>▪ Benefit integration and managed behavioral healthcare services</li> </ul>	Will vary by group PEPM
NA	<b>Delta TeamCare: Maternity Management</b>	\$400/case
NA	<b>Delta TeamCare: NurseLine 24/7</b> NurseLine 24/7 - Toll free availability 24 hours a day/7 days a week	\$0.75 PEPM
July 1, 2012 Effective Date	<b>Delta TeamCare: Population Health Management</b> This rate <i>includes</i> the following services for Population Health Management: <ul style="list-style-type: none"> <li>▪ Predictive modeling</li> <li>▪ High-risk disease management</li> <li>▪ Lifestyle management programs</li> </ul>	\$4 PEPM
NA	<b>Delta TeamCare: Utilization Review and Case Management</b> Case Management and Utilization Review	\$4 PEPM

## Optional: Employee Benefits Communication Fees

DHS Responsibility	Function	Fee
✓	<b>Plan Amendments</b> Each change to a Client's Summary Plan Description (SPD) will require a separate amendment (i.e., two changes to the SPD require two separate amendments, four changes require four separate amendments, etc.). An amendment provides clear, irrefutable evidence of exactly which requested/required changes were made to an SPD.	\$110/hour + printing, distribution and/or postage; DHS will submit a proposal to the Client before work begins.
✓	<b>Summary Plan Description</b> <ul style="list-style-type: none"> <li>▪ <b>NEW:</b> Create an ERISA compliant Summary Plan Description (SPD) for employees in a new format that will be "written in a manner calculated to be understood by the average plan participant," as required by the Code of Federal Regulations.</li> </ul> <p>The SPD will be divided into three main sections: Eligibility and Enrollment Information, Description of Benefits and General Facts. This new SPD will incorporate all plan design, legislative changes and amendments (including those related to health care reform), create benefit charts that allows participants to get an overview of important benefits (note: these charts will be supplemented by a more descriptive, definition-type section), separate out prescription benefits to provide a better understanding of how this particular plan works, have a Table of Contents (TOC) that includes important sub-headings and allows the reader to find information easier, link the TOC headings to the actual referenced page and include charts on complex issues such as eligibility, special enrollment rights and COBRA, etc.</p> <ul style="list-style-type: none"> <li>▪ <b>Revise</b> an existing SPD.</li> </ul>	\$110/hour + printing, distribution and/or postage; DHS will submit a proposal to the Client before work begins.
✓	<b>Welcome Packets For New Hires</b> <i>Note: This booklet is now available on the website.</i> <ul style="list-style-type: none"> <li>▪ DHS will provide one 8x11 welcome folder to new hires as part of the administrative set-up fee. The 8x11 welcome folder will be mailed to the employee to include information on DHS services. Necessary claim forms will be provided individually.</li> <li>▪ Additional booklets provided after enrollment.</li> <li>▪ Customization of materials included with the Welcome Packet (both for hard copy and on the website).</li> </ul>	<ul style="list-style-type: none"> <li>▪ No charge</li> <li>▪ \$4/booklet</li> <li>▪ \$110/hour + printing, distribution and/or postage; DHS will submit a proposal to the Client before work begins.</li> </ul>
✓	<b>Miscellaneous</b> Enrollment materials, Summary of Benefits Coverage, newsletters, payroll stuffers, etc.	\$110/hour + printing, distribution and/or postage; DHS will submit a proposal to the Client before work begins.

## **GENERAL ADMINISTRATIVE INFORMATION**



## ADDITIONAL PAYMENTS TO CLAIMANTS

The Client may, by written notice to DHS signed by an executive officer of the Client, instruct DHS to pay claims, which are not payable under the Plan based upon the Plan Document/Summary Plan Description, upon the condition that such instruction expressly releases DHS from any liability in connection therewith. The Client hereby acknowledges that such payments will not qualify for credit toward excess or stop loss insurance coverage, if any, and are considered "plan exceptions". The Client assumes all legal requirements for such payments.

## ADMINISTRATIVE AGREEMENT PERIOD AND TERMINATION

The initial term of this Agreement shall be for one year, beginning on January 1, 2012 (the "Effective Date"). This Agreement shall automatically renew for successive one-year terms unless otherwise terminated in accordance with this Agreement.

Either party to this Agreement may terminate it by giving written notice to the other at least sixty (60) days prior to the end of the first year or any successive year of the Agreement. Such termination shall be effective on the last day of the initial term or any successive term. Should the Client fail to notify DHS of the termination by the sixty (60) day requirement, the Client agrees to pay a penalty of administrative fees using the enrollment from the last month the Agreement was in effect. The provisions of the *Indemnification* section shall survive the termination of this Agreement.

DHS may resign without prior notice at any time if the Client does not supply sufficient funds to pay approved claims, premiums or any fees within thirty (30) days of notice by DHS of the amount due.

## ASSIGNMENT

Neither party may assign its rights or obligations, except as specifically provided in this Agreement, without the prior written consent of the other. This Agreement shall not be construed as granting any rights in favor of any persons other than the parties and their successors and permitted assigns.

## BROKER/CONSULTANT SERVICES

In the event the Client elects to utilize the services of a broker (the "Broker"), the Client agrees:

- To defend, indemnify and hold DHS harmless against all claims, damages, liabilities, reasonable attorneys' fees and expenses resulting from actions of, or services provided by, the Broker.
- That in the event stop loss, excess loss or similar insurance is obtained through the Broker, DHS shall be indemnified and held harmless against all claims, damages, liabilities, reasonable attorneys' fees and expenses in connection with any claim, action, suit, proceeding, settlement or compromise thereof, relating to such insurance.
- That DHS will be held harmless for acting at the direction of the Broker/Consultant on behalf of the Client.

**Important:** DHS has no ownership or affiliation with any Broker utilized by the Client.

## CONFIDENTIAL AND PROPRIETARY INFORMATION

DHS shall at all times maintain and protect the confidentiality of Plan information and records. DHS shall provide with the Client's consent, to the extent permitted by applicable law, cooperation, information and service to other providers of services to the Plan. The Client acknowledges that DHS's proprietary computer software, records, reports, forms, documents and business methods remain the sole property of DHS and may not be duplicated or disclosed in any manner.

## CONTROLLING LAW

This Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws provisions.

## DHS INSURANCE

For the protection of the Plan and its participants, DHS shall maintain, at its own expense, errors and omissions coverage, which shall meet the requirements of ERISA and any applicable state laws and regulations.

## DISPUTE RESOLUTION

Any dispute, which may arise between the parties as to the proper interpretation or application of this Agreement, shall be governed by the laws of the State of California. In the event any legal action or other proceeding shall be instituted with respect to a breach of any of the provisions of this Agreement and such a breach shall be held to have occurred, then the prevailing party shall be entitled to recover all expenses incurred in connection with such action or proceeding, including reasonable attorneys' fees, through any appeal.

## INDEMNIFICATION

- **Indemnification by DHS:** DHS agrees to defend, indemnify, and hold the Client harmless against all claims, damages, liabilities, reasonable attorneys' fees and expenses reasonably incurred or imposed on DHS in connection with any claim, action, suit, proceeding, settlement or compromise related to any breach of this Agreement by DHS or any negligent or criminal conduct of DHS, its agents or employees. The right to be defended, indemnified and held harmless hereunder shall extend to the employees of the Client, their heirs, personal representatives and assigns. DHS shall immediately notify the Client of any lawsuits or actions or any threat that may become known to DHS that might adversely affect any interest of the Client.
- **Indemnification by the Client:** The Client agrees to defend, indemnify, and hold DHS harmless against all claims, damages, liabilities, reasonable attorneys' fees and expenses reasonably incurred or imposed on the Client in connection with any claim, action, suit, proceeding, settlement or compromise thereof related to the Plan or this Agreement, to the extent arising from:
  - any breach of this Agreement by the Client;
  - any negligent or criminal conduct of the Client, its agents or employees;
  - any claim for benefits under the Plan; and
  - any act or omission of the Client, its officers, employees and representatives, except if such act or omission is found by a court of competent jurisdiction to constitute negligent or other criminal conduct.

The right to be defended, indemnified and held harmless shall extend to the employees of DHS, their heirs, personal representatives and assigns. The Client shall immediately notify DHS of any lawsuits or actions or any threat that may become known to the Client that might adversely affect any interest of DHS.

## NOTICE OF CHANGE (OR INTENT TO CHANGE) TO ADMINISTRATIVE AGREEMENT

All notices shall be in writing and delivered by hand, by U.S. first-class mail or by overnight delivery. Notices to DHS shall be directed to:

John Zank VP, Client Engagement  
Delta Health Systems



3244 Brookside Rd., Suite 200  
Stockton, CA 95219-2381  
OR  
P.O. Box 1147  
Stockton, CA 95201

Notices to the Client shall be directed to:

Monterey Peninsula College  
980 Fremont  
Monterey, CA 93940

Either party may designate another address at any time by appropriate written notice to the other.

#### **OWNERSHIP OF BOOKS AND RECORDS: ACCESS BY CLIENT**

DHS acknowledges that all records and files maintained by it with regard to the Plan are the property of the Client. DHS will not be held liable for errors in keeping any records required under this Agreement, except if such errors are the result of its gross negligence or willful or reckless misconduct. In the event the Client or its employees access the Plan's records or files, whether to update eligibility information, process claims or perform some other function, the Client acknowledges and agrees that DHS shall have no responsibility or liability in connection with any actions taken by the Client or its employees.

#### **Data Storage**

As of the date of the Client's termination of this Agreement or of DHS's resignation from the administration of the Plan, DHS will provide the Client, or such agent designated in writing by the Client, standard claims history information of not more than two years in the form of an electronic media file. DHS shall not destroy or otherwise dispose of any Plan records in its possession or custody after the termination of this Agreement, for a period as required by law, unless possession or custody is first offered to the Client in writing.

#### **PRESCRIPTION DRUG CARDS**

In the event the Plan includes prescription drug benefits, and participants in the Plan are issued cards in connection with those benefits, the Client acknowledges and agrees:

- that the Client is responsible for collecting such cards when a participant's coverage under the Plan terminates,
- that the Client is liable for any misuse of such cards following a participant's termination, and
- that DHS has no liability in connection with the collection or misuse of the prescription drug cards.

#### **SELF FUNDED BENEFITS**

The Plan is funded exclusively by the Client and, if the Client so elects, participant contributions. DHS shall have no responsibility or liability for the adequacy or sufficiency of funds in the Plan. Benefits under the Plan are payable only if and to the extent any such funds are sufficient to pay related expenses and/or insurance premiums required to maintain stop loss, excess or other related insurance in force. Upon payment of the premiums, there will be in effect stop loss or excess loss insurance. The parties acknowledge that it is the responsibility of the Client:

- to determine if such insurance coverage is needed,
- to obtain such insurance coverage,
- to determine the terms and conditions of such coverage, and
- to provide the funds needed to pay the premiums.

DHS agrees that it shall, as soon as practicable, inform the Client of the cancellation of, or reduction in the amount of, such insurance if DHS is notified. However, the Client shall, at all times, remain responsible for providing funds sufficient to pay such insurance premiums as well as Plan benefits. The Client acknowledges that DHS may notify Plan participants of the Client's inability to fund claims due if not paid within thirty (30) days of their due date.

#### ADOPTION OF THE ADMINISTRATIVE AGREEMENT

This Agreement shall be binding upon the parties and their successors and permitted assigns. In the event signature for this Agreement is not received by the Client within thirty (30) days of the effective date as defined in the renewal or agreement term under the *Administrative Agreement Period and Termination* section, this Agreement shall be considered to be executed if administrative services continue and administrative fees are received after the renewal effective date.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the effective date, January 1, 2012

Monterey Peninsula College

Delta Health Systems

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its Duly Authorized: \_\_\_\_\_

Its Duly Authorized: \_\_\_\_\_

## **Appendix: Delta TeamCare**

### Utilization Review and Case Management

Delta TeamCare's Utilization Review and Case Management services are designed to improve the quality of patient care while maximizing cost savings. Members benefit from having access to registered nurse reviewers, Delta TeamCare's board certified medical director and a panel of board certified practicing physician specialists.

The clinical professionals providing utilization management use advanced software, extensive databases and nationally recognized review criteria to ensure that utilization management recommendations are consistent. In addition, cases are monitored to assure quality of care. Through the Case Management Program, individuals receive a better understanding of specialized care needs, access to centers of excellence and specialty care facilities, education on alternatives to costly inpatient care, and direction toward in-network discounts. Delta TeamCare works with members to educate and help them make choices that contribute to a healthier lifestyle, thus reducing the incidence of complications and future medical costs.

#### ***Utilization Review: Inpatient***

Upon request of a member or provider, Delta TeamCare shall:

- review actual or scheduled admissions, and
- use clinical criteria to:
  - determine the medical necessity,
  - conduct concurrent reviews and provide discharge planning, based upon the information provided to Delta TeamCare, and
  - provide certification, as appropriate.

#### ***Utilization Review: Outpatient***

Upon request of a member or provider, Delta TeamCare shall review actual or scheduled:

- elective outpatient same day surgeries performed outside of a physician's office;
- elective outpatient diagnostic procedures, including invasive procedures, performed outside of a physician's office;
- outpatient continuing services such as physical therapy, occupational therapy, home health care and durable medical equipment (items in excess of \$500), but not including those described in the next subparagraph; and/or
- outpatient behavioral health services and psychiatric and substance abuse therapies.

Using clinical criteria, Delta TeamCare:

- shall determine the medical necessity, based upon the information provided to Delta TeamCare, and
- provide certification, as appropriate.

#### ***Case Management***

Case Management is a collaborative process to assess, plan, implement, coordinate, monitor and evaluate the options and services required to meet a member's health needs, typically performed by licensed health care professionals using telephonic and other communication means. When Delta TeamCare identifies a case that, in its opinion, has complexities that would benefit from Case Management, Delta TeamCare shall advise the Client and shall provide such case management services unless directed not to do so by the Client.

## **Population Health Management**

Delta TeamCare's Population Health Management Program coordinates education and health management strategies to benefit the member from the earliest level of care. The Population Health Management Program includes High Risk Disease Management and Lifestyle Management.

### **High-Risk Disease Management**

Delta TeamCare's High-Risk Disease Management Program consists of one-on-one nurse intervention for high-risk members with the following conditions:

- asthma (pediatric and adult),
- congestive heart failure,
- coronary artery disease,
- chronic obstructive pulmonary disease,
- chronic pain,
- diabetes,
- hyperlipidemia, or
- hypertension.

The High-Risk Disease Management Program includes the following curriculum.

- *Member Identification* – The Population Health Management Program applies predictive modeling to historical medical and pharmacy claims data to identify potentially high dollar members using a number of data sources. The program identifies members in which a high dollar event related to a chronic disease state has occurred, or where apparent gaps in recommended standards of care exist. Delta TeamCare will analyze utilization data to identify care management opportunities.
- *Prioritization* – Following the risk identification process, the targeted member's record (inclusive of diagnosis, utilization history and pharmacy profile) is assigned to a disease management nurse who will develop a specific clinical profile. Based on clinical data plus an initial telephonic assessment, the nurse will assign an acuity level.
- *Member Engagement* – Identified members receive an introductory letter from a nurse health coach. If the member cannot be reached by mail, an engagement specialist attempts telephonic contact. A total of 5 attempts are made to engage members with their nurse health coach, after which the members are transitioned to a "low-impact" track consisting of regular disease-specific educational mailings and re-engagement calls.
- *Member Management* – Once a member is engaged with a nurse health coach:

The member completes an in-depth clinical assessment, including clinical history, health status evaluation, psychosocial evaluation and a medication profile, during an interview with the nurse health coach.

The disease state is identified and an intervention level is determined. This process includes the identification of any comorbid conditions.

The nurse health coach uses disease-specific protocols and guidelines to educate and support the member. These guidelines come from the Institute for Clinical Systems Improvement (ICSI), the National Institute of Health (NIH) and other medically recognized resources, and include interventions, specific needs of the individual member and the expected outcomes of the interventions.

- **Members Receive** – After the member is in the High Risk Disease Management Program, the member will receive:

- Disease-specific and need-specific educational mailings at frequencies determined by the care plan created by his/her nurse health coach.
- Quarterly health-related newsletters.
- Access to 24/7 NurseLine, Delta TeamCare's twenty-four hours a day, seven days a week nurse line and health information library.
- A satisfaction survey after 6 months in the program.

- **Care Coordination** – Disease management nurses also coordinate participant care, such as on-site evaluations with home health nurses, specialty consults with physicians, and referrals to resources, such as smoking cessation, weight loss, diabetes education, and cardiac rehabilitation programs. Nurses will assist members with locating in-network providers and are skilled at negotiating out-of-network costs, when necessary.

- **Reporting** – A Delta TeamCare client receives regular reports outlining the performance of the program:

Report	Description	Frequency
<b>Open Case Listing</b>	Group-level report identifying the number of patients enrolled in the program, includes detail on diagnoses, intensity of services, the date the case was opened, and the nurse health coach assigned to each case.	Monthly
<b>Activity Report</b>	An aggregate, group-level report identifying participation, activity and a profile of members in the program.	Quarterly
<b>Annual Report</b>	An aggregate, group-level report summarizing the performance of the program.	Annually

### **Lifestyle Management Programs**

Delta TeamCare's structured coaching programs are conveniently completed over the phone or online. Most program sessions take about 10-15 minutes with the program completed in a few months. Programs are provided in both English and Spanish.

Program topics include:

- weight management,
- physical activity,
- nutrition,
- tobacco cessation,
- stress management, and
- prenatal/postnatal care.

The Lifestyle Management Program includes the following curriculum.

- **Member Identification** – Predictive modeling software is applied to historical medical and pharmacy claims data along with biometric data when available to identify potential candidates for the Lifestyle Management Program. Utilizing sophisticated technology, moderate risk members are identified based on potential cost and guideline compliance gaps in care and diagnosis.

- *Member Engagement* – Identified moderate risk members receive an introductory letter or email from a health educator. Following the introduction, the health educator attempts telephonic contact. A total of 2 attempts are made to engage members with the health educator before a postcard is sent to the member as one final attempt. Members also may self refer into any or all Lifestyle Management Programs. Delta TeamCare provides monthly promotional resources to routinely remind members of the services available.
- *Member Management* – Members will work one-on-one with a dedicated health educator on health promotion strategies and making healthy behavioral changes. Once the member is enrolled in a program, an initial assessment is completed to allow the health educator to understand more about the health habits of the member and assess the member's readiness to change. After the assessment, a follow-up appointment is set up to work with the member. Each coaching session includes educational information for the member.
- *Tool Kits* – Each participant receives a tool kit to support the one-on-one coaching. The tool kit includes:
  - Weekly health handouts and flyers
  - Becoming a Healthier You - Guidebook
  - Access to our resource library
  - Customized calorie count (nutrition and weight management program)
  - Sample exercises and exercise band (physical activity, and weight management, and natal program)
  - Customized pregnancy guide (prenatal and post natal program)
  - On-going support from your health educator

## **Delta Health Connect**

The Delta Health Connect Program assists members (i) in learning about and monitoring health issues of which the member may have been unaware, and (ii) in managing health problems that the member is not managing appropriately. The Program also helps employers in keeping participants accountable for healthcare costs.

The Delta Health Connect Program integrates the following tools.

### ***Plan Member Health Evaluations***

The Plan Member Health Evaluation Program provides onsite health evaluations consisting of 34 diagnostic tests to detect a wide range of health problems including:

- cardiovascular disease risks (high cholesterol, high blood pressure, and diabetes),
- liver and kidney disease,
- anemia, and
- certain types of cancer.

The member's health evaluations provide an analysis of self-reported health information to assess risks for heart attacks, strokes, mental health problems and sleep disorders.

### ***Interactive Health Index (IHI)***

Each participant receives a personal health score (IHI) based on six measurable, controllable health factors. The Client will receive an analysis of its aggregate IHI to assess controllable health risks on a group level and to compare the Client's population versus norms.



### ***Personal Health Report***

Program participants receive a concise, easy to understand health report that outlines health evaluation results, reviews potential health problems (health risks), and describes personalized strategies for the individual to address health problems and stay healthy long term. The Personal Health Report is mailed to the participant's home within 2 weeks of his/her evaluation and includes:

- an overview letter from Delta TeamCare's medical staff outlining test results,
- copies of all lab test results,
- an IHI result sheet,
- risk assessments for heart disease, mental health conditions, and sleep disorders,
- a health calendar that timelines important preventive health care steps, and
- a trend report that tracks key lifestyle related risk factors from year to year.

### ***Website Access***

Delta Health Connect provides a private health management website that members and their family can use to:

- access health evaluation results within three days of their testing,
- research health topics and current health news,
- complete online health risk assessments,
- create a virtual personal medical file that stores health evaluation results – including year to year comparisons, and
- consult with Delta TeamCare's medical staff to get private answers to questions on numerous health topics.

### ***News To Use***

Periodically (and with the participant's consent), Delta TeamCare will email to participants health information that is relevant to them based on their age, gender, health history or evaluation results.

### ***Outcome Reporting***

Delta TeamCare will provide an aggregate report that will be reviewed with the Client to help the Client evaluate the health needs of its workforce, the need for specific health improvement programs, and the measurable return Delta Health Connect offers to the Client and participants.

### ***Health News***

An electronic general health newsletter will be provided to the Client each month.

### ***Personal Health Coaching***

For clients using Delta TeamCare's Disease Management Program, the participant's health evaluation data is electronically transferred for predictive modeling to identify potential disease management candidates (in compliance with HIPAA regulations). The benefits of including the health evaluation data in the predictive modeling stratification are:

- *Velocity of Care:* Disease management can be initiated before a claim is generated.
- *Coverage:* Better identification of at-risk members by connecting lab data to *predictive* modeling.

- *Improved Care:* Disease managers are equipped with better information on at-risk members to help the medical personnel better manage the member's health.

For clients not utilizing the Disease Management Program, Delta TeamCare offers a suite of ten individual health improvement courses (HealthFocus), which are delivered telephonically by health educators with Masters degrees, to health evaluation participants who are highly motivated to improve their risk status. The courses include 6 to 8 weekly counseling sessions on any of the following topics:

- smoking cessation,
- weight loss,
- diabetes prevention and control,
- managing cholesterol,
- managing high blood pressure,
- fitness,
- nutrition,
- managing and preventing back pain,
- controlling asthma, and
- stress management.



## **Maternity Management**

Once a physician confirms the pregnancy and the mother-to-be chooses to participate, the participant is contacted by a maternity nurse specialist, who conducts an initial assessment to determine if the participant is at high or low-risk.

All participants receive proactive calls from a maternity nurse specialist and educational materials throughout their pregnancy. Educational material covers specific topics related to each trimester, along with important post-natal information. Materials are available in both English and Spanish.

A care plan is developed based on the pregnant woman's risk status. Ongoing monitoring by the maternity nurse specialist ensures timely intervention in the event of a change in the risk status. The frequency of outbound calls by the maternity nurse specialists to participants is determined by the severity of pregnancy complications. This may result in daily contact in times of high risk or concern. Following delivery, a final call ensures the well being of the mother and child, and the maternity nurse specialist answers any remaining questions the mother may have.

## **Marketing**

Delta TeamCare will provide the following promotional materials to the Client:

- introductory program letter,
- Maternity Management brochure,
- check stuffers,
- posters, and
- educational articles.

## **Special Features**

In high-risk cases, when home care is needed, the specialized maternity newborn nurse works with the home care agencies to coordinate the necessary care and services. Costs are managed by negotiating discounts and identifying cost-effective alternatives.

## **Reporting**

The Maternity Management Summary is a quarterly aggregate report, which is sent to the Client, that indicates:

- the number of cases that are open,
- total number of women referred to the program,
- number of high-risk and low-risk women participating in the program,
- closed cases, and
- reason for closure.

A breakdown of outcome data also is provided, which includes number of premature deliveries, deliveries at term and deliveries after 42 weeks. Each category of deliveries also reflects if the mother was high or low-risk.

### **24/7 NurseLine**

An additional health and wellness service provided by Delta TeamCare is access to 24/7 NurseLine, a 24-hours a day/7-days a week toll-free telephone number that connects members to experienced registered nurses. Members will have access to the following services through 24/7 NurseLine:

- Health Information Library – Members can select from 1,100 up-to-date and easy to understand health care topics ranging from allergies to women's health.
- One-on-One Nurse Consultation – Delta TeamCare's registered nurses are available to answer health care questions about a member's current illness or general health. The nurse will assess the symptoms and provide guidance for the member and family.
- Physician and Community Resources – Nurse counselors direct members to their networks to gain access to doctors, hospitals or community resources such as classes, support groups and seminars.

### **Employee Assistance Program (EAP)**

Delta TeamCare's Employee Assistance Program (EAP) is available to help a member with issues that could negatively affect his/her employment and personal life. EAP counselors can provide *assessment, support and referrals to additional resources*.

#### **Service Access**

Access to a 24/7 dedicated toll-free line 24-hours a day/7 days a week answered by experienced licensed EAP counselors/case managers. The case manager will conduct a thorough clinical assessment followed by either (i) a referral to a local affiliate clinician for clinical consultation or (ii) further telephonic counseling from a licensed Delta TeamCare EAP counselor.

#### **Referrals**

Self referral is when a member contacts the EAP directly. Informal referral or "soft" referral occurs when an employee initiates the need for EAP services with his/her manager or the manager identifies a need for the EAP with an employee. A formal referral occurs when a manager or human resources professional directs an employee to utilize EAP services after formally notifying the employee that he/she has either (i) violated the company's substance abuse policy or (ii) exhibited behavior that negatively impacts productivity. In most cases, managers formally refer employees to the EAP after taking other disciplinary steps.

#### **Corporate Training Services**

Delta TeamCare trainers will provide the Client's employees and supervisors with the tools to utilize the program and its components most effectively. The Client's managers and supervisors are trained regarding their roles, problems that they may encounter and effective solutions. [Additional fees may apply for this service.]

#### **Critical Incident Response Services**

Delta TeamCare's EAP will provide critical incident response services to the Client's employees following a disaster or trauma. This service includes level I, II and III processes to address critical incidents. [Additional fees may apply for this service.]

***Program Promotion***

Delta TeamCare's EAP will provide the Client with a variety of communication materials aimed at driving awareness of the EAP. The account manager will develop a culturally-sensitive promotional plan that is tailored to the unique needs of each organization. Quarterly employee and supervisory newsletters are provided to address topics on life management.

***Work Life Benefits***

Delta TeamCare's EAP will provide services to address the needs of employees and their family members with life's daily challenges. The resource and referral services available are child care services, elder care services and convenience services. Legal assist includes unlimited access, free telephone advice, free in-person consultation and ID recovery. Financial assist includes a financial information line, debt management plans, bankruptcy prevention, housing education, and educational materials.

***Work Life Website***

The work life website provides members with search engines, articles, tip sheets, web-based training tools, audio 'how-to' files, financial calculators, personal assessment tests and external resource links. In addition, every page contains an 'Ask the Expert' link, which allows participants to interact directly with an EAP or Work-Life counselor.

***Reporting***

Comprehensive reporting and executive summaries will be provided to the Client on a quarterly basis to include data trends, EAP clinical utilization, work-life utilization, training participation, critical incident responses, account services and web usage.

***Benefit Integration***

Delta TeamCare will accept referrals and integrate data from (i) Delta TeamCare's Population Health Management Program or (ii) another carrier who provides care services such as disease management or a corporate wellness program. Delta TeamCare will create a member profile documenting services that are historically utilized.

***Managed Behavioral Healthcare Services***

Delta TeamCare will assist with finding the best possible outcome for each mental health or substance abuse case using data integrated through the EAP program and DHS administrative services with review of the following components: MH/SA gatekeeper, case management and concurrent review, discharge planning and retrospective review.



This Agreement ("Agreement") is effective upon execution by and between Delta Health Systems [*Insert name of business associate*] ("Business Associate") and Monterey Peninsula College [*Insert name of covered entity*] ("Organization").

Organization and Business Associate mutually agree to comply with the requirements of the implementing regulations at 45 Code of Federal Regulations ("C.F.R.") Parts 160-64 for the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). This Agreement shall supersede any prior business associate agreement.

**1. Privacy of Protected Health Information.**

a) **Permitted Uses and Disclosures.** Business Associate is permitted to use and disclose Protected Health Information that it creates or receives on Organization's behalf or receives from Organization (or another business associate of Organization) and to request Protected Health Information on Organization's behalf (collectively, "Organization's Protected Health Information") only:

i) **Functions and Activities on Organization's Behalf.** Self-funded health plan administration.

ii) **Business Associate's Operations.** For Business Associate's proper management and administration or to carry out Business Associate's legal responsibilities, provided that, with respect to disclosure of Organization's Protected Health Information, either:

A) The disclosure is Required by Law; or

B) Business Associate obtains reasonable assurance from any person or entity to which Business Associate will disclose Organization's Protected Health Information that the person or entity will:

1) Hold Organization's Protected Health Information in confidence and use or further disclose Organization's Protected Health Information only for the purpose for which Business Associate disclosed Organization's Protected Health Information to the person or entity or as Required by Law; and

2) Promptly notify Business Associate (who will in turn notify Organization in accordance with Section 4(a)) of any instance of which the person or entity becomes aware in which the confidentiality of Organization's Protected Health Information was breached.

iii) **Minimum Necessary.** Business Associate will, in its performance of the functions, activities, services, and operations specified in Section 1(a) above, make reasonable efforts to use, to disclose, and to request only the minimum amount of Organization's Protected Health Information reasonably necessary to accomplish the intended purpose of the use, disclosure or request, except that Business Associate will not be obligated to comply with this minimum necessary limitation if neither Business Associate nor Organization is required to limit the use, disclosure or request to the minimum necessary. Business Associate and Organization acknowledge that the phrase "minimum necessary" shall be interpreted in accordance with the American Recovery and Reinvestment Act and government guidance on the definition.

b) **Prohibition on Unauthorized Use or Disclosure.** Business Associate will neither use nor disclose Organization's Protected Health Information, except as permitted or required by this Agreement or in writing by Organization or as Required by Law. This Agreement does not authorize Business Associate to use or disclose Organization's Protected Health Information in a manner that will violate 45 C.F.R. Part 164, Subpart E "Privacy of Individually Identifiable Health Information" (the "Privacy Rule") if done by Organization, except as set forth in Section 1(a)(ii).

c) **Information Safeguards.**

i) **Privacy of Organization's Protected Health Information.** Business Associate will develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to protect the privacy of Organization's Protected Health Information. The safeguards must reasonably protect Organization's Protected Health Information from any intentional or unintentional use or disclosure in violation of the Privacy Rule and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.

ii) **Security of Organization's Electronic Protected Health Information.** Business Associate will develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information that Business Associate creates, receives, maintains, or transmits on Organization's behalf as required by the Security Rule, 45 C.F.R. Part 164, Subpart C.

d) **Subcontractors and Agents.** Business Associate will require any of its subcontractors and agents, to which Business Associate is permitted by this Agreement or in writing by Organization to disclose Organization's Protected Health Information and / or Electronic Protected Health Information, to provide reasonable assurance that such subcontractor or agent will comply with the same privacy and security safeguard obligations with respect to Organization's Protected Health Information and / or Electronic Protected Health Information that are applicable to Business Associate under this Agreement.

e) **Prohibition on Sale of Records.** Effective six months after DHHS issues final regulations on this topic (or such other effective date specified by DHHS), Business Associate shall not directly or indirectly receive remuneration in exchange for any Protected Health Information of an individual unless the Organization or Business Associate obtained from the individual, in accordance with 45 CFR 164.508, a valid authorization that includes a specification of whether the Protected Health Information can be further exchanged for remuneration by the entity receiving Protected Health Information of that individual, except as otherwise allowed under the American Recovery and Reinvestment Act.

2. **Compliance with Transaction Standards.** If Business Associate conducts in whole or part electronic Transactions on behalf of Organization for which DHHS has established Standards, Business Associate will comply, and will require any subcontractor or agent it involves with the conduct of such Transactions to comply, with each applicable requirement of the Transaction Rule, 45 C.F.R. Part 162. Business Associate shall comply with the National Provider Identifier requirements, if and to the extent applicable. Business Associate will not enter into, or permit its subcontractors or agents to enter into, any Trading Partner Agreement in connection with the conduct of Standard Transactions on behalf of Organization that:

- a) Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
- b) Adds any data element or segment to the maximum defined data set;
- c) Uses any code or data element that is marked "not used" in the Standard Transaction's implementation specification or is not in the Standard Transaction's implementation specification; or
- d) Changes the meaning or intent of the Standard Transaction's implementation specification.



3. **Individual Rights.**

a) **Access.** Business Associate will, within a reasonable time and at a reasonable location following an Organization's request, make available to Organization or, at Organization's direction, to an individual (or the individual's personal representative) for inspection and obtaining copies Organization's Protected Health Information about the individual that is in Business Associate's custody or control, so that Organization may meet its access obligations under 45 C.F.R. § 164.524. Effective as of the date specified by DHHS, the Protected Health Information is held in an Electronic Health Record, then the individual shall have a right to obtain from Business Associate a copy of such information in an electronic format. Business Associate shall provide such a copy to Organization or, alternatively, to the individual directly, if such alternative choice is clearly, conspicuously and specifically made by the individual or Organization.

b) **Amendment.** Business Associate will, upon receipt of written notice from Organization, promptly amend or permit Organization access to amend any portion of Organization's Protected Health Information, so that Organization may meet its amendment obligations under 45 C.F.R. § 164.526.

c) **Disclosure Accounting.** So that Organization may meet its disclosure accounting obligations under 45 C.F.R. § 164.528:

i) **Disclosures Subject to Accounting.** Business Associate will record the information specified in Section 3(c)(iii) below ("Disclosure Information") for each disclosure of Organization's Protected Health Information, not excepted from disclosure accounting as specified in Section 3(c)(ii) below, that Business Associate makes to Organization or to a third party.

ii) **Disclosures Not Subject to Accounting.** Business Associate will not be obligated to record Disclosure Information or otherwise account for disclosures of Organization's Protected Health Information if Organization need not account for such disclosures.

iii) **Disclosure Information.** With respect to any disclosure by Business Associate of Organization's Protected Health Information that is not excepted from disclosure accounting by Section 3(c)(ii) above, Business Associate will record the following Disclosure Information as applicable to the type of accountable disclosure made:

A) **Disclosure Information Generally.** Except for repetitive disclosures of Organization's Protected Health Information as specified in Section 3(c)(iii)(B) below, the Disclosure Information that Business Associate must record for each accountable disclosure is (i) the disclosure date, (ii) the name and (if known) address of the entity to which Business Associate made the disclosure, (iii) a brief description of Organization's Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure.

B) **Disclosure Information for Repetitive Disclosures.** For repetitive disclosures of Organization's Protected Health Information that Business Associate makes for a single purpose to the same person or entity (including Organization), the Disclosure Information that Business Associate must record is either the Disclosure Information specified in Section 3(c)(iii)(A) above for each accountable disclosure, or (i) the Disclosure Information specified in Section 3(c)(iii)(A) above for the first of the repetitive accountable disclosures, (ii) the frequency, periodicity, or number of the repetitive accountable disclosures, and (iii) the date of the last of the repetitive accountable disclosures.



iv) **Availability of Disclosure Information.** Business Associate will maintain the Disclosure Information for at least 6 years following the date of the accountable disclosure to which the Disclosure Information relates (3 years for disclosures related to an Electronic Health Record, starting with the date specified by DHHS).

Business Associate will make the Disclosure Information available to Organization within a reasonable time following Organization's request for such Disclosure Information to comply with an individual's request for disclosure accounting. Effective as of the date specified by DHHS, with respect to disclosures related to an Electronic Health Record, Business Associate shall provide the accounting directly to an individual making such a disclosure request, if a direct response is requested by the individual.

d) **Restriction Agreements and Confidential Communications.** Business Associate will comply with any agreement that Organization makes that either (i) restricts use or disclosure of Organization's Protected Health Information pursuant to 45 C.F.R. § 164.522(a), or (ii) requires confidential communication about Organization's Protected Health Information pursuant to 45 C.F.R. § 164.522(b), provided that Organization notifies Business Associate in writing of the restriction or confidential communication obligations that Business Associate must follow. Organization will promptly notify Business Associate in writing of the termination of any such restriction agreement or confidential communication requirement and, with respect to termination of any such restriction agreement, instruct Business Associate whether any of Organization's Protected Health Information will remain subject to the terms of the restriction agreement. Effective February 17, 2010 (or such other date specified as the effective date by DHHS), Business Associate will comply with any restriction request if: (i) except as otherwise required by law, the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment); and (ii) the Protected Health Information pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

#### 4. **Breaches and Security Incidents.**

##### a) **Reporting.**

i) **Privacy or Security Breach.** Business Associate will report to Organization any use or disclosure of Organization's Protected Health Information not permitted by this Agreement or in writing by Organization, along with any Breach of Organization's Unsecured Protected Health Information. Business Associate will treat the Breach as being Discovered in accordance with HIPAA's requirements. Business Associate will make the report to Organization's Privacy Official not more than 45 calendar days after Business Associate learns of such non-permitted use or disclosure. If a delay is requested by a law enforcement official in accordance with 45 C.F.R. § 164.412, Business Associate may delay notifying Organization for the time period specified by such regulation. Business Associate's report will at least:

- A) Identify the nature of the Breach or other non-permitted use or disclosure, which will include a brief description of what happened, including the date of any Breach and the date of the discovery of any Breach;
- B) Identify Organization's Protected Health Information that was subject to the non-permitted use or disclosure or Breach (such as whether full name, social security number, date of birth, home address, account number or other information were involved) on an individual-by-individual basis;
- C) Identify who made the non-permitted use or disclosure and who received the non-permitted disclosure;
- D) Identify what corrective or investigational action Business Associate took or will take to prevent further non-permitted uses or disclosures, to mitigate harmful effects and to protect against any further Breaches;
- E) Identify what steps the individuals who were subject to a Breach should take to protect themselves;

F) Provide such other information, including a written report, as Organization may reasonably request.

ii) **Security Incidents.** Business Associate will report to Organization without reasonable delay (and, in no event later than 30 calendar days) any attempted or successful (A) unauthorized access, use, disclosure, modification, or destruction of Organization's Electronic Protected Health Information or (B) interference with Business Associate's system operations in Business Associate's information systems, of which Business Associate becomes aware. Business Associate will make this report upon Organization's request, except if any such security incident resulted in a disclosure or Breach of Organization's Protected Health Information or Electronic Protected Health Information not permitted by this Agreement, Business Associate will make the report in accordance with Section 4(a)(i) above.

b) **Termination of Agreement.**

i) **Right to Terminate for Breach.** Organization may terminate Agreement if it determines, in its sole discretion, that Business Associate has breached any provision of this Agreement [and upon written notice to Business Associate of the breach, Business Associate fails to cure the breach within 60 calendar days after receipt of the notice] . Organization may exercise this right to terminate Agreement by providing Business Associate written notice of termination, stating the failure to cure the breach of the Agreement that provides the basis for the termination. Any such termination will be effective immediately or at such other date specified in Organization's notice of termination.

ii) **Obligations on Termination.**

A) **Return or Destruction of Organization's Protected Health Information as Feasible.** Upon termination or other conclusion of Agreement, Business Associate will, if feasible, return to Organization or destroy all of Organization's Protected Health Information in whatever form or medium, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information. Business Associate will require any subcontractor or agent, to which Business Associate has disclosed Organization's Protected Health Information as permitted by Section 1(e) of this Agreement, to if feasible return to Business Associate (so that Business Associate may return it to Organization) or destroy all of Organization's Protected Health Information in whatever form or medium received from Business Associate, including all copies thereof and all data, compilations, and other works derived therefrom that allow identification of any individual who is a subject of Organization's Protected Health Information, and certify on oath to Business Associate that all such information has been returned or destroyed. Business Associate will complete these obligations as promptly as possible, but not later than 180 calendar days following the effective date of the termination or other conclusion of Agreement.

**B) Procedure When Return or Destruction Is Not Feasible.** Business Associate will identify any of Organization's Protected Health Information, including any that Business Associate has disclosed to subcontractors or agents as permitted by Section 1(e) of this Agreement, that cannot feasibly be returned to Organization or destroyed and explain why return or destruction is infeasible. Business Associate will limit its further use or disclosure of such information to those purposes that make return or destruction of such information infeasible. Business Associate will require such subcontractor or agent to limit its further use or disclosure of Organization's Protected Health Information that such subcontractor or agent cannot feasibly return or destroy to those purposes that make the return or destruction of such information infeasible. Business Associate will complete these obligations as promptly as possible, but not later than 180 calendar days following the effective date of the termination or other conclusion of Agreement.

**C) Continuing Privacy and Security Obligation.** Business Associate's obligation to protect the privacy and safeguard the security of Organization's Protected Health Information as specified in this Agreement will be continuous and survive termination or other conclusion of this Agreement.

**5. General Provisions.**

**a) Inspection of Internal Practices, Books, and Records.** Business Associate will make its internal practices, books, and records relating to its use and disclosure of Organization's Protected Health Information available to Organization and to DHHS to determine Organization's compliance with the Privacy Rule, 45 C.F.R. Part 164, Subpart E.

**b) Definitions.** All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations and other official government guidance. For purposes of this Agreement, Organization's Protected Health Information encompasses Organization's Electronic Protected Health Information.

**c) Amendment to Agreement.** Upon the compliance date of any final regulation or amendment to final regulation promulgated by DHHS that affects Business Associate's use or disclosure of Organization's Protected Health Information or Standard Transactions this Agreement will automatically amend such that the obligations imposed on Business Associate remain in compliance with the final regulation or amendment to final regulation.

**d) No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as creating any rights or benefits to any third parties.

**IN WITNESS WHEREOF,** Organization and Business Associate execute this Agreement in multiple originals to be effective November 1, 2011 [*Insert effective date – the date this agreement is signed*] (except as otherwise specified and, if a later effective date for a subsection or provision is required by the American Recovery and Reinvestment Act, that later effective date shall apply with respect to such subsection or provision).

**Delta Health Systems**

**Monterey Peninsula College**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Monterey Peninsula College  
Summary of TPA Marketing

Vendor	Keenan & Associates	Delta Health Systems		Pinnacle Claims Management Inc.	
Network	Anthem Blue Cross	Anthem Blue Cross		Anthem Blue Cross	
		1st year costs	2nd year costs	1st year costs	2nd year costs
Estimated TPA Fixed Monthly Cost	\$16,468	\$16,903	\$17,286	\$16,745	\$16,745
Estimated TPA Fixed Annual Cost	\$197,618	\$202,837	\$207,430	\$200,935	\$200,935
Estimated Claims runoff cost / Penalties	NA	\$0	\$0	\$0	\$0
Implementation Cost	\$0	\$9,650	\$0	\$5,150	\$0
Estimated Additional Annual Costs	\$0	\$5,892	\$5,892	\$7,352	\$7,352
Total Additional Costs	\$0	\$15,542	\$5,892	\$12,502	\$7,352
Grand Total TPA Annual Costs	\$197,618	\$218,379	\$213,321	\$213,437	\$208,287
\$ Difference from Current		\$20,760	\$15,703	\$15,818	\$10,668
% Difference From Current		10.5%	7.9%	8.0%	-9.2%

Footnotes:

\* Keenan disease management covers Diabetes only.

DHS will continue current participants in Diabetes Disease Management program effective 1/1/2012

Pinnacle disease management program description pending.

\*\* Pinnacle charge for network access for in-state and out-of-state pending.

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. G

Administrative Services  
College Area

### Proposal:

That the Governing Board reject the claim for damages made by Kenneth J. Kroopf, Esq. on behalf of Christopher Veloz and that the claim be forwarded to the district's claims administrator for investigation and disposition.

### Background:

Kenneth J. Kroopf, Esq. has submitted a claim against the district on behalf of Christopher Veloz. It is recommended that the claim be rejected and sent to the claims administrator for investigation and evaluation of liability.

**Budgetary Implications:** Unknown.

☒ **RESOLUTION: BE IT RESOLVED,** That the Governing Board reject the claim for damages made by Kenneth J. Kroopf, Esq. on behalf of Christopher Veloz and that the claim be forwarded to the district's claims administrator for investigation and disposition.

**Recommended By:**   
Stephen Ma, Vice President for Administrative Services

**Prepared By:**   
Suzanne Ammons, Administrative Assistant

**Agenda Approval:** \_\_\_\_\_  
Dr. Douglas Garrison, Superintendent/President

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. H

Administrative Services  
College Area

### Proposal:

That the Governing Board reject the claim for damages made by David J. Churchill, Esq. on behalf of Margaret-Anne Coppernoll and that the claim be forwarded to the district's claims administrator for investigation and disposition.

### Background:

David J. Churchill has submitted a claim against the district on behalf of Margaret-Anne Coppernoll. It is recommended that the claim be rejected and sent to the claims administrator for investigation and evaluation of liability.

**Budgetary Implications:** Unknown.

☒ **RESOLUTION: BE IT RESOLVED,** That the Governing Board reject the claim for damages made by David J. Churchill, Esq. on behalf of Margaret-Anne Coppernoll and that the claim be forwarded to the district's claims administrator for investigation and disposition.

**Recommended By:**

  
Stephen Ma, Vice President for Administrative Services

**Prepared By:**

  
Suzanne Ammons, Administrative Assistant

**Agenda Approval:**

\_\_\_\_\_  
Dr. Douglas Garrison, Superintendent/President

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. I

Administrative Services  
College Area

### Proposal:

That the Board ratify the Project Assignment Amendment #13 (PAA), at the fixed fee of \$168,500, with Kitchell CEM, for construction management services in conjunction with the renovation of the Gymnasium First Floor Renovation project.

### Background:

This agreement for construction management services includes the bidding and construction phases of the Theater based on a fixed fee of \$168,500. The fee is 5% of the total construction budget. The project is anticipated to be completed in late fall 2012.

### Budgetary Implications:

Expenses will be charged to bond funds allocated to the project.

☒ **RESOLUTION: BE IT RESOLVED,** That the Board ratify the Project Assignment Amendment #13 (PAA), at the fixed fee of \$168,500, with Kitchell CEM, for construction management services in conjunction with the renovation of the Gymnasium First Floor Renovation project.

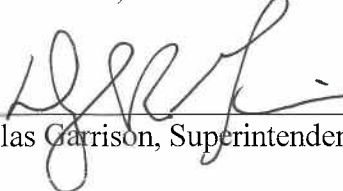
Recommended By: \_\_\_\_\_

  
Stephen Ma, Vice President for Administrative Services

Prepared By: \_\_\_\_\_

  
Suzanne Ammons, Administrative Assistant

Agenda Approval: \_\_\_\_\_

  
Dr. Douglas Garrison, Superintendent/President

**EXHIBIT B: PROJECT ASSIGNMENT AMENDMENT**

*(To Agreement for On-Going Construction Management Services)*

This Project Assignment is executed between **MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT** ("District") and **Kitchell CEM** ("CM") pursuant to the Agreement for On-Going Construction Management Services ("Agreement") between the CM and the District dated October 10, 2008. By this reference, the Agreement is incorporated herein as if set forth in full.

**1. Project Description. (Gymnasium First Floor Renovation)**

Note: This PAA includes only the Bidding and Construction phases.

**1.1 Project Description**

Renovation of the ground floor of the Gymnasium, Building 22 as generally defined by the Schematic Design and Schematic Design estimate dated March 23, 2010. The project is approximately 15,000 sq. ft. and includes student and team locker rooms, facility and division offices, team room, athletic classrooms and storage areas.

**1.2 Design Team**

The District has retained the following design professionals ("the Architect") to provide services consisting generally of the development and preparation Design Documents, assistance during bidding of the Construction Contract(s) and assistance in administration of the Construction Contract(s):

HGHB  
9699 Blue Larkspur Lane, Suite 201  
Monterey, CA 93940

**2. Basic Services.**

In addition to the Basic Services described in the Agreement for On-Going Construction Management Services and Conditions to Agreement for On-Going Construction Management Services, the Construction Manager will provide the following as a Basic Service for the above-described Project (refer to the Agreement for On-Going Construction Management Services and Conditions to Agreement for On-Going Construction Management Services for detailed description of each of the following).

**2.1. Peer Review (Not Applicable to this PAA)****2.2 Construction Cost Estimate (Not Applicable to this PAA)**

Cost Estimate provided under Architect's contract.



**3. Budget.**

3.1	Total Project Budget:	\$ 4,200,000
3.2	Construction Bid Day Budget:	\$ 3,063,583
3.3	Construction Change Order Budget:	\$ 306,358
3.4	Total Construction Budget:	\$ 3,369,941

**4. Construction Management Compensation.**

Contract Price. The District shall pay CM a fixed fee of One Hundred and Sixty-Eight Thousand and Five Hundred Dollars (\$ 168,500). The Contract Price is based on the construction schedule for this project coinciding with the schedule as detailed in Item 5, below.

**5. Basic Services Completion Schedule.**

	START DATE	FINISH DATE
Preliminary Plans	4/06/2010	7/27/2010
Working Drawings (including DSA)	7/28/2010	6/25/2011
Bidding	8/25/2011	10/11/2011
Construction	12/19/2011	11/30/2012

***IN WITNESS WHEREOF***, the District and CM have executed this Agreement as of the date set forth above.

**“CM”**

Kitchell CEM

**“DISTRICT”**

Monterey Peninsula Community College District,  
a California Community College District

By: \_\_\_\_\_

Russell A. Fox  
President

By: \_\_\_\_\_

Steven Ma  
Vice-President, Business Services

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. J

Administrative Services

College Area

### Proposal:

That the Governing Board ratify the Project Assignment Amendment 03 (PAA) with GBMI, Inc., Inspector of Record (IOR), to perform inspection services on an hourly basis not to exceed \$78,000 in conjunction with the Gymnasium First Floor Renovation project.

### Background:

An Inspector of Record (IOR) is required for facility construction and modernization projects. The District has recently contracted with GBMI, Inc. as the IOR to perform services in conjunction with the Theatre Renovation.


Basic services include the inspection of work done, materials supplied and conformity of all work and materials with contract documents, carry out of instruction of the Project Architect/Engineer and DSA (Division of State Architect), conformance to regulations and codes, preparation of reports including semi-monthly, and final verified reports and related correspondence including additional notifications to the Division of State Architect within the project's phases. Also included are on site inspections of work in progress, cataloging of photos for construction conditions and assistance with overall efforts to expedite the completion and ensure the quality of the project. This project is anticipated to begin January 2012 and be completed in November 2012.

### Budgetary Implications:

The hourly fee of \$75.00 with the total not to exceed \$78,000 will be paid through bond funds budgeted for this project.

☒ **RESOLUTION: BE IT RESOLVED,** That the Governing Board ratify the Project Assignment Amendment 03 (PAA) with GBMI, Inc., Inspector of Record (IOR), to perform inspection services on an hourly basis not to exceed \$78,000 in conjunction with the Gymnasium First Floor Renovation project.

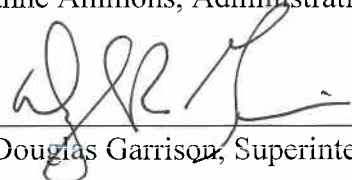
Recommended By: \_\_\_\_\_

  
Stephen Ma, – Vice President for Administrative Services

Prepared By: \_\_\_\_\_

  
Suzanne Ammons, Administrative Assistant

Agenda Approval: \_\_\_\_\_

  
Dr. Douglas Garrison, Superintendent/President

## **PROJECT ASSIGNMENT AMENDMENT - 03**

### **(TO AGREEMENT FOR ON-GOING INSPECTION SERVICES)**

This Project Assignment is executed between MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT ("District") and GBMI, Inc. ("Inspector") pursuant to the Agreement for On-Going Inspection Services ("Agreement") between the Inspector and the District dated May 24, 2011. By this reference, the Agreement is incorporated herein as if set forth in full.

#### **1. Project Description.**

##### **Monterey Peninsula College Gymnasium First Floor Renovation**

#### **2. Basic Services.**

The Inspector will provide the following services as Basic Services for the above-described Project (see Agreement for On-Going Inspection Services and Conditions to Agreement for On-Going Inspection Services for detailed description of each of the following described Basic Services).

##### **2.1. Basic Services**

- A. Inspect all work done and all materials supplied by the contractors, agent, employees, subcontractors and suppliers to verify conformity of all work and materials with the contract documents.
- B. Carry out the instructions of the Project Architect and the Division of State Architect.
- C. Review various phases of the project for conformance to the regulations and codes.
- D. Prepare all necessary reports and related correspondence, including additional notifications to the Division of the State Architect at various phases of the project, semi-monthly reports, and final verified reports to the Division of the State Architect.
- E. Conduct on-site inspections of work in progress.
- F. Catalog progress photos to indicate construction conditions.
- G. Assist the efforts of all parties concerned to expedite the completion and ensure the quality of the project.

##### **2.2 DSA Verified Reports and Certificate of Compliance.**

- A. Project Inspector Actions. The Project Inspector acknowledges and agrees that a material obligation of the Project Inspector under this Agreement is the completion by the Project Inspector of all actions and activities which by this Agreement or by operation of applicable law, code, rule or regulation are the responsibility of the Project Inspector relating to DSA reporting requirements pursuant to Education Code §81141 (including amendments thereto) and issuance of DSA's Certificate of Compliance for the Project pursuant to Education Code §81147 (including amendments thereto) upon completion of Project construction. The foregoing shall include without limitation, the timely preparation, completion and filing of Verified Reports during Project construction and the filing of the Final Verified Report with DSA within ten (10) days of the determination of Project Final Completion. The Project Inspector shall provide the Architect, Construction Manager retained by the District for the Project and the District with copies of all Verified Reports completed by the Project Inspector and submitted to DSA; such copies shall be provided to the Architect, the Construction Manager and the District concurrently with the Project Inspector's submission thereof to DSA.
- B. Final Verified Report Retention. Notwithstanding any provision of this Agreement to the

contrary, the completion and filing of the Final Verified Report with DSA by the Project Inspector is an express condition precedent to the District's disbursement of Twelve Thousand Dollars (\$12,000) of the Contract Price due the Project Inspector under this Agreement ("the Final Verified Report Retention"). The District's disbursement of the Final Verified Report Retention to the Project Inspector shall be made by the District within thirty (30) days of the presentation by the Project Inspector to the Architect and the District of reasonably satisfactory written evidence that the Project Inspector has filed the Project Inspector's Final Verified Report with DSA in accordance with the preceding and the submission of the billing statement by the Project Inspector to the District for payment of the Final Verified Report Retention. If the Project Inspector fails to file the Final Verified Report with DSA within ten (10) days of the determination of Project Final Completion, notwithstanding the preparation or filing of such Final Verified Report by the Project Inspector thereafter, the District may in the sole and exclusive discretion of the District retain and withhold from disbursement to the Project Inspector all or any part of the Final Verified Report Retention as damages for the failure of the Project Inspector to have timely discharged its obligation hereunder.

**3. Project Bid Day Budget.**

\$ 3,063,583.00 (projected)

**4. Inspector Compensation.**

Hourly fee is \$75 per hour. Total not to exceed \$78,000.00. Timesheets shall be submitted in accordance with Article 2.1 in the Agreement for On-going Inspection Services dated May 24, 2011. Refer to Attachment A for a sample timesheet.

It is recognized the inspector is not responsible for unforeseen conditions such as added work, schedule delays or extensions, contractor-rejected work, and other potential issues not under the control of the Inspector. These conditions will be negotiated on a case-by-case basis.

**5. Project Duration.**

January 2012 – November 2012

**MONTEREY PENINSULA COMMUNITY  
COLLEGE DISTRICT, a California  
Community College District**

**GBMI, Inc. Inspections**

By: \_\_\_\_\_

Stephen Ma  
Vice President, Business Services

By: \_\_\_\_\_

Gary Barrall  
Inspector

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. K

Academic Affairs  
College Area

### Proposal:

To approve the proposed courses which have proceeded through the institutional curriculum development process to the point of recommendation to the Board.

### Background:

The courses listed below are recommended by the Curriculum Advisory Committee and endorsed by the MPC administration.

### Budgetary Implications:

When offered, related courses and programs generate instructor and support costs, which are offset by student attendance driven income.


☒ **RESOLUTION: BE IT RESOLVED**, that the following course be approved:

AUTO 171, BAR 2011 Update  
CSIS 10C, Bridge to C and C++ Programming  
ESL 110, High-Advanced Composition  
ESL 312, Beginning English: Listening, Speaking, Pronunciation  
ESL 313, Beginning English: Grammar, Writing, Reading  
ESL 323, High-Beginning Conversation  
ESL 325, High-Beginning Reading and Vocabulary  
ESL 334, Intermediate Conversation  
ESL 335, Intermediate Reading  
ESL 342, High-Intermediate Academic Writing  
ESL 343, High-Intermediate Academic Reading  
ESL 346, Advanced Writing: American Culture  
MUSI 199.1, Travel Study: The Choral Music and Culture of Poland, Germany, Belgium, and Holland

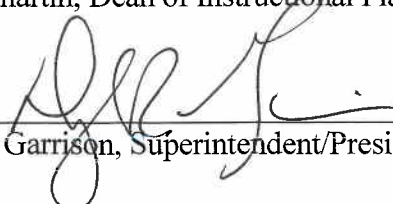
**Recommended By:**

  
Marty Johnson, Vice President of Academic Affairs

**Prepared By:**

  
Michael Gilmartin, Dean of Instructional Planning

**Agenda Approval:**

  
Dr. Douglas Garrison, Superintendent/President

## **PROPOSED COURSES**

### **AUTO 171**

### **BAR 2011 Update**

**0.5 unit**

**0.50 hour lecture; 0.50 hour lab**

#### **Justification**

Required course for smog technician training program.

#### **Description**

This California BAR-approved Smog Technician update course covers the required emission update program. The course's in-depth program covers current laws and regulations, ASM testing, and emission diagnostics used to inspect, test, and repair late-model vehicles. All new and current smog technicians must complete this course to apply for a new license or to maintain an existing one.

### **CSIS 10C**

### **Bridge to C and C++ Programming**

**2 units**

**2.00 hours lecture; 0.50 hour lab**

#### **Justification**

CSIS10A and CSIS10B are currently taught in Java. Some university CS departments prefer C++ while other Engineering departments still want C. This class provides a bridge from Java (or another language) into C/C++. It focuses on the language features unique to C/C++ minimizing redundancy with other classes. It is not intended to articulate on its own but in conjunction with CSIS10A and/or CSIS10B to those schools requiring C or C++. The pre-requisite for CSIS10C is set up so that students having taken CSIS10A, CSIS55 or ENGR17 (all intro programming in different languages) can migrate into CSIS10C.

#### **Description**

For students who already know another programming language, this class provides practical experience in C/C++ programming. Coverage includes basic C/C++ syntax through applications of simple linked data structures, and concludes with a significant project. Portions of this course may be offered online.

### **ESL 110**

### **High-Advanced Composition**

**4 units**

**4.00 hours lecture; 1.00 hour lab**

#### **Justification**

To bring ESL courses in line with CB-21 coding

#### **Description**

This is a high-advanced writing course for the non-native speaker emphasizing the basic principles of exposition, organization, and research. It also offers review of grammar and punctuation. Successful completion of this course prepares students for ENGL 1A.

**ESL 312****Beginning English: Listening, Speaking, Pronunciation**

**6 units**

**6.00 hours lecture**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This course is for the student who has very little English. It is an integrated skills course emphasizing listening, speaking, and pronunciation.

**ESL 313****Beginning English: Grammar, Writing, Reading**

**6 units**

**6.00 hours lecture; 2.00 hours lab**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This course is for the student who has very little or no English. It is an integrated skills course emphasizing grammar, writing, and reading.

**ESL 323****High-Beginning Conversation**

**3 units**

**3.00 hours lecture**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This course, at the high-beginning level for non-native speakers, emphasizes listening, vocabulary, and conversation in situational contexts.

**ESL 325****High-Beginning Reading and Vocabulary**

**4 units**

**4.00 hours lecture; 1.00 hour lab**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This is a high-beginning course for the non-native speaker emphasizing reading and vocabulary development.



**ESL 334****Intermediate Conversation**

**3 units**

**3.00 hours lecture**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This course, at the intermediate level for non-native speakers, emphasizes listening, vocabulary, and conversation in situational contexts.

**ESL 335****Intermediate Reading**

**4 units**

**4.00 hours lecture; 1.00 hour lab**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This is an intermediate course for the non-native speaker emphasizing reading.

**ESL 342****High-Intermediate Academic Writing**

**4 units**

**4.00 hours lecture; 1.00 hour lab**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This is a high-intermediate course for the non-native speaker emphasizing the organization and development of ideas of academic writing. Students focus on writing short essays and utilizing core vocabulary.

**ESL 343****High-Intermediate Academic Reading**

**4 units**

**4.00 hours lecture; 1.00 hour lab**

**Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This high-intermediate course for the non-native speaker emphasizes strategies and techniques of academic reading.



**ESL 346****Advanced Writing: American Culture****4 units****4.00 hours lecture; 1.00 hour lab****Justification**

To bring ESL courses in line with CB-21 coding

**Description**

This is an advanced course for the non-native speaker designed to increase writing skills and cultural literacy. Emphasis is placed on writing essays relevant to U.S. government, diversity, values, and innovations.

**MUSI 199.1****Travel Study: The Choral Music and Culture of Poland, Germany, Belgium, and Holland****3 units****1.82 hours lecture; 82.00 hours lab****Justification**

Give performing students an opportunity to perform choral music, representing MPC and the USA to foreign audiences. To give both performers and non-performers the opportunity to attend choral concerts and the opportunity to learn directly about the cultures and music of the people where the performances will occur.

**Description**

This travel study course examines the music, culture, and art of Poland, Germany, Belgium, and Holland. It is open to both performers and non-performers. For performers, it includes lectures, tours of cultural sites, and performance of a series of choral concerts. For non-performers, it includes lectures, tours of cultural sites and attendance at concert performances.

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. L

Superintendent/President  
College Area

### Proposal:

To approve Travel Request for Pat Roberts, MPC Speech Instructor, to attend the 6<sup>th</sup> International LAMS and Learning Design Conference, in accordance with Board Policy 2145 Staff Travel/Mileage Reimbursement.

### Background:

LAMS, the Learning Activity Management System, is an open source Learning Design system for the designing, managing and delivering of online collaborative learning activities. It provides teachers with an intuitive visual authoring environment for creating sequences of learning activities, which include a range of individual tasks, small group work, and whole class activities on both content and collaboration.

The 6<sup>th</sup> International LAMS and Learning Design Conference theme is "Learning Design for a Changing World." The conference provides delegates with the opportunity to discuss open resources, technology, and teaching practices in education and how they might relate to Learning Design in a changing world. Additional themes will be to find the tools and pedagogies for the next generation of e-learners, and building communities of practice, by discussing opportunities and challenges.

Pat Roberts, Adjunct Speech Instructor, is requesting approval to travel to the LAMS Conference at the Macquarie School of Management in Sydney, Australia from December 7-13, 2011. No funding will be provided by MPC.

### Budgetary Implications:

None.

☒ **RESOLUTION: BE IT RESOLVED**, that the Governing Board approve Pat Roberts, Speech Instructor, to travel to Sydney, Australia, December 7-13, 2011, to attend the 6<sup>th</sup> International LAMS and Learning Design Conference.

**Recommended By:** Diane Boynton, Chair, Humanities Division

**Prepared By:**

Carla Robinson  
Carla Robinson, Executive Assistant to Superintendent/President and Governing Board

**Agenda Approval:**

[Signature]  
Dr. Douglas Garrison, Superintendent/President

**MONTEREY PENINSULA COLLEGE**  
**Approval & Reimbursement of Expenditures**  
**Business Meeting/Conference/Travel**

**PURCHASING ONLY**  
 VENDOR # \_\_\_\_\_

TR # 04769

**Section 1  
REQUEST**

Please complete this section prior to submitting for approval. Please provide cost estimates.

Name <b>PAT ROBERTS</b>	Title/Department <b>INSTRUCTOR - SPEECH</b>
Description of Event <b>6th International LAMS + Learning Design Conference (see Attached)</b>	<b>COST ESTIMATES</b> Registration \$ _____ Transportation <b>N/A</b> Lodging <b>N/A</b> Meals _____ Other _____ <b>TOTAL ESTM. COST \$ N/A</b>
Location (City, State, Country) <b>Sydney, Australia</b>	
Inclusive Dates <b>Conference</b>	
From <b>12-8-2011</b> To <b>12-9-2011</b> Traveling <b>12-7-11 to 12-13-11</b>	
Recommended Approval <i>[Signature]</i>	Chair/Non-Instructional Manager
Date: _____	
Budget Account Number	

**Section 2  
APPROVAL/  
DISAPPROVAL**

Please Return to Requester after Approval or Disapproval

☐ APPROVED      ☐ DISAPPROVED

The following conditions apply and payment of this claim, including any advances made prior to the actual travel, is authorized to the extent that only actual and necessary expenses in accordance with Education Code Sections 72423, 87432, and MPC Board Policy 2145 are properly documented by necessary receipts.

Signature of Division Chair/Management: *[Signature]* Date: **10-18-11**

Signature of Superintendent/President (Required for out of state): *[Signature]* Date: **10-19-11**

**DO NOT COMPLETE THE CLAIM PORTION (SECTION 3) OF THIS FORM UNTIL TRAVEL IS COMPLETED**

**Section 3  
EXPENSE  
CLAIM**

Submit White copy to Business Office - Yellow for your records

Attach all receipts and supporting documents for actual expenses incurred and approved per Section 1.

1. TRANSPORTATION LIST ONLY THOSE EXPENSES FOR WHICH YOU ARE TO BE REIMBURSED

a. Air Fare (Air Coach) \$ \_\_\_\_\_

b. Automobile (actual mileage: \_\_\_\_\_ miles @ \_\_\_\_\_ per mile = \_\_\_\_\_) \$ \_\_\_\_\_

c. Auto Rental \$ \_\_\_\_\_

2. REGISTRATION FEE \$ \_\_\_\_\_

3. OTHER EXPENSES

DATE	MEALS	LODGING	MISC.*	DAILY TOTAL

\*Parking/Tolls, Taxi, Laundry, etc.

Total OTHER EXPENSES \$ \_\_\_\_\_

TOTALS 1 through 3 \$ \_\_\_\_\_

Less: ADVANCES \$ \_\_\_\_\_

Less: CREDIT CARD PMTS \$ \_\_\_\_\_

**NET AMOUNT OF CLAIM \$ \_\_\_\_\_**

**Complete and submit within 10 days from completion of trip.**

I certify that this claim is true and correct and is for the actual and necessary expenses incurred while in attendance at the event described in Section 1 above.

Signature of Claimant: \_\_\_\_\_ Date: \_\_\_\_\_

MPC BO 101 12-01 NEW

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## Welcome...

...to the 6th International LAMS & Learning Design Conference webpage.

The 6th International Conference will once again be held in Sydney after the success of the five previous International LAMS Conferences in 2006, 2007, 2008, 2009 and 2010; and four European Conferences (2007 – Greenwich, 2009 – Cadiz, 2009 – Milton Keynes and Oxford in July 2010) and the 2011 International Conference held at NTU, Singapore.

The focus of the conference will be "**Learning Design for a Changing World**". We will look at technologies, applications and approaches that support sharing, collaboration and open access to knowledge and resources and the differing implications for individuals and organizations in a changing world. Importantly, we will also capture the experience of those who have used LAMS & Learning Design and shared some of the lessons learnt about sharing great ideas in higher education, the K-12 sector, vocational and professional education.

## 6th International LAMS and Learning Design Conference Events

Thursday, 8th December	<b>LAMS Training Workshops</b> Beginner and Advanced
Friday, 9th December	<b>Conference Presentations</b> including topics such as Schools, Teacher Educators, Library and Learning Design.

The conference will be hosted by the [LAMS Foundation](#) and [LAMS International](#) with support from Macquarie University, Sydney.

### Contact:

For more information, email us.

[lamsconfadmin@lamsfoundation.org](mailto:lamsconfadmin@lamsfoundation.org)

[Back to Top](#)



## Sydney, Australia

**Sydney, Australia**

**8th & 9th December, 2011**

### Latest News

Pricing and online registration details are now available on the [Registration](#) page.

**The Call for Presentations is now open. (Click for Details...)**

VISA Information for International delegates can be found at this [link](#).

The 2011 Sydney Conference will be held at **Macquarie Graduate School of Management** in Sydney, Australia on **Friday the 9th of December, 2011**.

**LAMS training workshops** will be held the day before the conference, on **Thursday, 8th December**.

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. M

Superintendent/President  
College Area

### Proposal:

That the Governing Board approve establishment of the Bonnie Ann Souchak Endowment to be managed as an agency fund by the Monterey Peninsula College Foundation per the General Fiscal Agent Agreement dated October 25, 2011.

### Background:

In June 2011, the Monterey Peninsula College Foundation was notified that the College had been named as a beneficiary of the Bonnie Ann Souchak Trust and entitled to a specific bequest in the amount of \$150,000.00. Robin Venuti, MPC Foundation Executive Director, informed the Superintendent/President's Office. Since the College and the Foundation were in the process of revising the General Fiscal Agent Agreement, action on this bequest was deferred until the new Agreement was adopted. The Souchak bequest has now been received by the Foundation, and the Superintendent/President has directed that funds be placed in intermediate investments until action is taken by the Governing Board.

The Souchak Trust documents do not indicate a specific intent for use of the bequest. The MPC Foundation Executive Director contacted Thomas P. Bohnen, trustee of the Bonnie Ann Souchak Trust, to determine if there was any other direction provided for the funds. The trustee is unaware of any stated donor intention. As a result, the Governing Board has the authority to designate these funds for any use in support of the College.

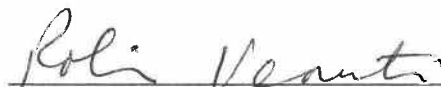
The recommendation to establish the Bonnie Ann Souchak Endowment will provide the opportunity for distributions from the endowment to be used to support areas of greatest institutional need in perpetuity. The General Fiscal Agent Agreement specifies that a committee consisting of the Superintendent/President and the Vice President of Administrative Affairs shall determine the purpose for which the distributions are used.

### Budgetary Implications:

None.

☒ **RESOLUTION: BE IT RESOLVED**, that the Governing Board approve establishment of the Bonnie Ann Souchak Endowment to be managed as an agency fund by the Monterey Peninsula College Foundation per the General Fiscal Agent Agreement dated October 25, 2011.

Recommended By:



Robin Venuti, Executive Director, Monterey Peninsula College Foundation

Prepared By:



Carla Robinson, Executive Assistant to Superintendent/President and Governing Board

Agenda Approval:



Dr. Douglas Garrison, Superintendent/President

New Bus Souchak Nov 2011

BOHNEN, ROSENTHAL & KREEFT  
AN ASSOCIATION OF LAW PARTNERSHIPS

THOMAS P. BOHNEN  
ROBERT E. ROSENTHAL  
ANDREW B. KREEFT  
ROGER D. BOLGARD  
CATHERINE J. LEE  
SERGIO H. PARRA

787 MUNRAS AVENUE, SUITE 200  
POST OFFICE BOX 1111  
MONTEREY, CALIFORNIA 93942

TELEPHONE (831) 649-5551  
FACSIMILE (831) 649-0272  
MBAYLAW.COM

OF COUNSEL

DOUGLAS K. DUSENBURY  
ALYSSA N. SULLIVAN

June 9, 2011

Robin Venuti  
Executor Director  
Monterey Peninsula College Foundation  
980 Fremont Street  
Monterey, CA 93940

RECEIVED JUN 13 2011

Re: Estate of Bonnie Ann Souchak

Dear Robin:

Please be advised that I am the Trustee of the Bonnie Ann Souchak Trust dated October 14, 1980, as Amended.

Bonnie Souchak passed away on April 11, 2011 and, as a result, the Bonnie Ann Souchak Trust became irrevocable. The enclosed Trustee Notification is being served on you because Monterey Peninsula College is named as a beneficiary of the trust and entitled to a specific bequest in the amount of \$150,000.00. I have enclosed a copy of Second Amendment to the Bonnie Ann Souchak Trust dated June 10, 2004, which is an amendment and restatement in its entirety of the Bonnie Ann Souchak Trust dated October 14, 1980.

If you should have any questions regarding the enclosed Trustee Notification or the trust itself, please don't hesitate to call me.

Very truly yours,

BOHNEN, ROSENTHAL & KREEFT

By:   
THOMAS P. BOHNEN

TPB/ccs  
Enclosures



TRUSTEE NOTIFICATION

RECEIVED JUN 13 2004

Section 16061.7 of the California Probate Code requires that a trustee serve this notification when either (i) a revocable trust or any portion thereof becomes irrevocable because of the death of one or more of the settlors of the trust or for any other reason, or (ii) there is a change in trustees of an irrevocable trust.

Identity of Settlor(s):

Bonnie Ann Souchak Bonnie Ann Souchak

Date of Execution of Trust Instrument, including any Amendments:

Bonnie Ann Souchak Trust dated October 14, 1980; First Amendment  
to the Bonnie Ann Souchak Trust dated December 14, 2001; Second  
Amendment to the Bonnie Ann Souchak Trust dated June 10, 2004

Name, Address and Telephone Number  
of Each Trustee of the Trust:

Thomas P. Bohnen, Trustee

787 Munras Avenue, Suite 200, Monterey, CA 93940

(831) 649-5551

Principal Place of Administration of Trust:

787 Munras Avenue, Suite 200

Monterey, California 93940

Any Additional Information Required by the Trust Instrument:

Unless there is an attachment to this Notification in response to this item, there is no additional information.

You are entitled, upon reasonable request to the trustee, to receive from the trustee a true and complete copy of the terms of the trust.

**YOU MAY NOT BRING AN ACTION TO CONTEST THE TRUST MORE THAN 120 DAYS FROM THE DATE THIS NOTIFICATION BY THE TRUSTEE IS SERVED UPON YOU OR 60 DAYS FROM THE DATE ON WHICH A COPY OF THE TERMS OF THE TRUST IS MAILED OR PERSONALLY DELIVERED TO YOU IN RESPONSE TO YOUR REQUEST DURING THAT 120-DAY PERIOD, WHICHEVER IS LATER.**

## SECOND AMENDMENT TO

RECEIVED JUN 13 2011

### THE BONNIE ANN SOUCHAK LIVING TRUST

BONNIE ANN SOUCHAK, as Settlor of the Bonnie Ann Souchak Living Trust dated October 14, 1980, heretofore amended said Trust in its entirety by a First Amendment dated December 14, 2001. BONNIE ANN SOUCHAK hereby further amends said trust in its entirety to read as follows:

BONNIE ANN SOUCHAK (hereinafter referred to as "Trustor") hereby grants, transfers, and assigns to BONNIE ANN SOUCHAK (hereinafter referred to as "Trustee"), the property described in the attached Schedule "A", in trust, upon the terms and conditions set forth below. The property subject to this instrument is referred to herein as the "Trust Estate". It shall be held, administered, and distributed in accordance with this instrument. The property listed in Schedule "A" is the separate property of the Trustor and shall retain its character as such notwithstanding the transfer to this trust.

#### I. AMENDMENT AND REVOCATION

The Trustor may at any time amend or revoke this instrument in whole or in part by an instrument in writing and delivered to the Trustee. If the Trustor revokes this instrument, the Trustee shall deliver promptly to the Trustor or Trustor's designee all of the



designated portion of the Trust assets. If the Trustor revokes this instrument entirely or with respect to a major portion of the assets subject to this instrument, the Trustee shall be entitled to retain sufficient assets reasonable to secure payment of liabilities lawfully incurred by the Trustee in the administration of the Trust, including Trustee's fees that have been earned, unless the Trustor shall indemnify the Trustee against loss or expense.

## **II. DISTRIBUTIONS DURING TRUSTOR'S LIFETIME**

During the lifetime of the Trustor, the Trustee shall pay to or apply for the benefit of the Trustor the net income of the Trust in quarter-annual or more frequent installments. If the Trustee considers the net income of the Trust insufficient, the Trustee shall pay to or apply for the benefit of the Trustor as much of the principal of the Trust as is necessary in the Trustee's discretion for the proper health, support and maintenance of the Trustor, in accordance with her accustomed manner of living at the date of this instrument.

If at any time, either in the Trustee's discretion or as certified in writing by two (2) licensed physicians, the Trustor has become physically or mentally incapacitated, whether or not a court of competent jurisdiction has declared her incompetent, mentally ill, or in need of a conservator, the Trustee shall pay to

the Trustor or apply for the benefit of the Trustor, the amounts of net income and principal of the Trust Estate necessary in the Trustee's discretion for the proper health, support and maintenance of the Trustor in accordance with her accustomed manner of living at the date of this instrument, until the Trustor, either in the Trustee's discretion or as certified by two (2) licensed physicians, is again able to manage her own affairs, or until the death of the Trustor. If a conservator of the person or the estate is appointed for the Trustor, the Trustee shall take into account any payments made for the Trustor's benefit by the conservator.

### **III. DISTRIBUTIONS AFTER TRUSTOR'S DEATH**

On the death of the Trustor, the Trustee shall administer and distribute the Trust Estate as follows:

**A. Distribution of Tangible Personal Property.**

(1) The Trustee shall distribute such items of tangible personal property as the Trustor shall direct by written instructions delivered to the Trustee.

(2) The balance of Trustor's tangible personal property not specifically referred to otherwise shall be sold by the Trustee and the proceeds thereof shall become a part of the residue of the Trust Estate and distributed in accordance with paragraph C of this Article III below.

**B. Specific Bequests.** The Trustee shall distribute the

following specific bequests:

(1) To COMMUNITY HOSPITAL OF THE MONTEREY PENINSULA, 23625 W. R. Holman Hwy., Monterey, California, the sum of One Hundred Thousand Dollars (\$100,000.00) to be used exclusively for the Hospice Program.

(2) To CALIFORNIA STATE UNIVERSITY, MONTEREY BAY, 100 Campus Center, Seaside, California, the sum of One Hundred Fifty Thousand Dollars (\$150,000.00).

(3) To MONTEREY PENINSULA COLLEGE, 980 Fremont, Monterey, California, the sum of One Hundred Fifty Thousand Dollars (\$150,000.00).

C. Distribution of Residue of Trust Estate. The Trustee shall distribute the residue of the Trust Estate, outright and free of trust, as follows:

(1) Twenty percent (20%) of the residue shall be distributed to JOHN W. MOCHARKO and DOLORES MOCHARKO, if then living, and if not, to the survivor thereof.

(2) Ten percent (10%) of the residue shall be distributed to JOHN W. MOCHARKO, JR.

(3) Ten percent (10%) of the residue shall be distributed to KARL MOCHARKO.

(4) Ten percent (10%) of the residue shall be distributed to BRAD MOCHARKO.

(5) Twenty percent (20%) of the residue shall be

distributed to MIKE SOUCHAK and NANCY SOUCHAK, if then living, and if not, to the survivor thereof.

(6) Twelve percent (12%) of the residue shall be distributed to SERDAR ERDINC.

(7) Five percent (5%) of the residue shall be distributed to DARLENE IRVIN.

(8) Five percent (5%) of the residue shall be distributed to PATTI S. TAYLOR.

(9) Five percent (5%) of the residue shall be distributed to CHRISTOPHER SOUCHAK.

(10) Three percent (3%) of the residue shall be distributed to REV. RICHARD BONJEAN.

If any individual beneficiary named in this Article III shall predecease Trustor, excepting therefrom the survivorship provisions of paragraphs (1) and (5), then and in that event, the bequest to said predeceased beneficiary shall lapse and said bequest shall be prorated among the surviving beneficiaries.

D. Residue to Bear Taxes. The Trustee shall pay from the residue of the Trust, without adjustment among the residuary beneficiaries, all inheritance, estate or other death taxes that may, by reason of Trustor's death, be attributable to Trustor's estate or any portion of it. These taxes shall not be charged against or collected from any beneficiary of this Trust or of Trustor's probate estate, or from any transferee or beneficiary of

property outside this Trust or Trustor's probate estate.

#### IV. SPENDTHRIFT PROVISION

No interest in the principal or income of any Trust created under this instrument shall be anticipated, assigned, or encumbered or subject to any creditor's claim or to legal process, prior to its actual receipt by the beneficiary.

#### V. POWERS OF TRUSTEE

In order to carry out the provisions of the Trusts created by this instrument, the Trustee is vested with the following powers with respect to the Trust Estate and any part of it, in addition to those powers now or hereafter conferred by law:

A. Investment Under Prudent-Person Rule. To invest and reinvest funds in every kind of property, real, personal, or mixed, and every kind of investment specifically including, but not limited to, corporate obligations of every kind, stocks, preferred or common, shares of investment trusts, investment companies, mutual funds, precious metals and mortgage participations, and life insurance policies on the life of any beneficiary except the beneficiary of a marital deduction trust, that persons of prudence, discretion, and intelligence acquire for their own account including any common trust fund administered by the Trustee.

B. Power to Retain Property. To continue to hold any income-producing property including any shares of the Trustee's own

stock and to operate at the risk of the Trust Estate any business the Trustee receives or acquires under the Trust as long as the Trustee, in the Trustee's discretion, considers advisable.

C. Power to Employ Investment Counsel. To employ investment counsel and to delegate to such investment counsel full discretionary power to supervise and direct the investments of the Trust Estate or any portion thereof, without prior consultation with the Trustee; and to place all or any part of the securities or other property at any time held by them as a part of the Trust Estate in the care or custody of any bank or trust company (which may be a bank or trust company other than a bank or trust company serving as a Trustee hereunder), to appoint such bank or trust company agent or attorney to collect, receive, receipt for and disburse any income, and generally to perform the duties and services incident to a so-called "custodian" account. Any determination or action of the Trustee taken in connection with any of the foregoing authorities and powers shall be binding and conclusive on all persons interested therein, and the Trustee shall have no liability or responsibility for any loss or injury resulting therefrom if such determination or action is taken in good faith.

D. Abandonment of Property. To abandon any property or interest in property belonging to the Trust, when, in the Trustee's discretion, such abandonment is in the best interests of the Trust

and its beneficiaries.

E. Power to Manage Securities. To have all rights, powers and privileges of an owner with respect to the securities held in Trust, including, but not limited to, the power to invest in securities for cash or on margin, including puts, calls, straddles, or other options, covered or uncovered, the powers to vote, give proxies, and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, and liquidations, and incident to this participation to deposit securities with and transfer title to any protective or other committee on such terms as the Trustee, in the Trustee's discretion, considers advisable, and to exercise or sell stock subscriptions or conversion rights.

F. Power to Sell, Exchange, Repair. To manage, control, grant options on, sell (for cash or on deferred payments within or beyond the term of the Trust), convey, exchange, partition, divide, improve, and repair Trust property.

G. Power to Lease. To lease Trust property for terms within or beyond the term of the Trust for any purposes, including exploration for and removal of gas, oil, and other minerals; and to enter into community leases, and pooling and unitization agreements.

H. Power to Purchase Bonds and Pay Premiums. To purchase



bonds and to pay such premiums in connection with the purchase as the Trustee, in the Trustee's discretion, considers advisable; provided, however, that each premium shall be repaid periodically to principal out of the interest on the bond in such reasonable manner as the Trustee shall determine and, to the extent necessary, out of the proceeds of the sale or other disposition of the bond.

I. Power to Purchase Bonds at a Discount. To purchase bonds at such discounts as the Trustee, in the Trustee's discretion, considers advisable; provided, however, that each discount shall be accumulated periodically as interest in such reasonable manner as the Trustee shall determine and, to the extent necessary, paid out of the proceeds of the sale or other disposition of the bond or out of principal.

J. Power to Borrow. To borrow money on such terms and conditions as the Trustee, in the Trustee's discretion, considers advisable, and to encumber Trust property including by mortgage, deed of trust, pledge, or otherwise, for the debts of the Trust or the joint debts of the Trust and a co-owner of Trust property.

K. Power to Buy, Sell and Trade Securities. The Trustee is authorized to buy, sell and trade in securities of any nature, including option contracts and "short" sales for cash or on margin, and for such purpose may maintain and operate margin accounts with brokers, and may deliver and pledge any securities held or purchased by the Trustee with such brokers both as security for

loans and advances made to the Trustee and to insure the Trustee's ability to deliver stock against short options.

L. Power Re Litigation. To commence and defend, at the expense of the Trust, such litigation with respect to the Trust or any property of the Trust Estate as the Trustee considers advisable, and to compromise or otherwise adjust any claims or litigation against or in favor of the Trust.

M. Power to Insure. To carry insurance of such kind and in such amounts as the Trustee, in the Trustee's discretion, considers advisable, at the expense of the Trust to protect the Trust Estate and the Trustee personally against any hazard.

N. Physical Division of Trust Property Not Required. There need be no physical segregation or division of the various Trusts except as segregation or division may be required by termination of any of the Trusts; however, the Trustee shall keep separate accounts for the different undivided interests.

O. Power to Withhold Payment if Conflicting Claims Arise. To withhold from distribution, in the Trustee's discretion, at the time specified for distribution of any property in the Trust without interest, all or any part of the property as long as the Trustee, in the Trustee's discretion, shall determine that such property is subject to conflicting claims, tax deficiencies, or liabilities, contingent or otherwise, properly incurred in the

administration of the Trust.

P. Revised Uniform Principal and Income Act To Govern.

Except as otherwise specifically provided in this instrument, determination of all matters with respect to what is principal and income of the Trust Estate and the apportionment and allocation of receipts and expenses between these accounts shall be governed by the provisions of the California Revised Uniform Principal and Income Act from time to time existing. Any such matters not provided for either in this instrument or in the California Revised Uniform Principal and Income Act shall be determined by the Trustee, in the Trustee's discretion.

Q. Payments to Minors or Other Beneficiary Under Disability.

The Trustee, in the Trustee's discretion, may make payments to a minor or other beneficiary under disability by making payments to the guardian or conservator of his or her person, or to a relative of the minor or of the other beneficiary under disability, or the Trustee may apply payments directly for the beneficiary's benefit. The Trustee, in the Trustee's discretion, may make payments directly to a minor if, in the Trustee's judgment, he or she is of sufficient age and maturity to spend the money properly.

R. Disclaim or Release Administrative Power. The Trustee may disclaim, release or restrict the scope of any administrative power held in connection with any Trust created under this instrument, whether such power is expressly granted in this

instrument or implied by law, by a written document specifying the power to be disclaimed, released, or restricted and the nature of any such restriction. Any power disclaimed or released by the Trustee shall be extinguished except to the extent this instrument expressly provides that such power pass to another.

S. Power of Co-Trustee to Act Alone. Notwithstanding anything contained herein to the contrary, the signature of only one (1) Co-Trustee shall be sufficient for the Trustee to withdraw or deposit funds from or into brokerage accounts, bank and savings and loan accounts, or other similar accounts, and to buy, sell and trade in securities of any nature. In addition, to the extent permitted by law, either Trustee shall have the power to act alone and without the participation of the other Trustee in dealing with Trust property and to act alone in doing any legal act which both Trustees could do acting jointly, including, but not limited to, the acts which are authorized by the provisions of this Declaration of Trust.

## **VI. ADDITIONS TO TRUST**

Other property acceptable to the Trustee may be added to this Trust by any person during the Trustor's lifetime, by the Will and Codicil of the Trustor, by the proceeds of any life insurance, or otherwise.

## VII. TRUSTEES

BONNIE ANN SOUCHAK shall serve as Trustee. Upon the death, resignation or inability of BONNIE ANN SOUCHAK to act as Trustee, MIKE SOUCHAK shall act as Trustee. Upon the death, resignation or inability of MIKE SOUCHAK to act as Trustee, NANCY SOUCHAK shall act as Trustee. Upon the death, resignation or inability of NANCY SOUCHAK to act as Trustee, THOMAS P. BOHNEN shall act as Trustee.

Any acting Trustee shall have the power to designate one or more individuals or corporate fiduciaries to serve concurrently or serially to succeed the Trustee on his or her inability or unwillingness to act. Any designation and revocation of that designation shall be made in a written instrument signed by the Trustee while acting as Trustee. A designation of a successor Trustee by an acting Trustee shall supersede any designation of a successor Trustee by the Trustor elsewhere in this instrument.

No bond shall be required of any individual Trustee named herein or appointed.

## VIII. MISCELLANEOUS PROVISIONS

A. Governing Law. The validity, construction, interpretation and administration of the above Trust shall be governed by the laws of the State of California in force from time to time regardless of whether the situs or place of administration of the Trust has changed.

B. Trustee Liability. No successor Trustee shall be liable for any act, omission or default of a predecessor Trustee. Unless requested in writing by an adult beneficiary of the Trust created hereinabove, no successor Trustee shall have any duty to investigate or review any action of a predecessor Trustee and may accept the accounting records of the predecessor Trustee showing assets on hand without further investigation and without incurring any liability to any person claiming or having an interest in the Trust.

C. Written Notice to Trustee. Unless the Trustee shall receive actual written notice of the occurrence of an event affecting the beneficial interest of the Trust created hereinabove, the Trustee shall not be liable to any beneficiary of the Trust for distribution made as though the event had not occurred.

D. Severability Clause. If any provision of this Trust instrument is unenforceable, the remaining provisions shall nevertheless be carried into effect.

E. No-Contest Clause. If any beneficiary under this Trust shall in any manner contest or attack this Trust or any of its provisions, then, in such event, any share or interest in the Trust Estate given to that contesting beneficiary under this Trust is hereby revoked and shall be disposed of in the same manner provided herein as if such contesting beneficiary had predeceased the



Trustor without issue.

F. Gender and Number. As used in this instrument, the masculine, feminine, or neuter gender, and the singular or plural number, shall each include the others whenever the context so indicates.

G. Perpetuities Savings Clause. Unless sooner terminated in accordance with other provisions of this instrument, or the provisions of any Trust created by the exercise of any Power of Appointment conferred by this instrument, each Trust created under this instrument and each Trust created by the exercise of any such Power of Appointment shall terminate twenty-one (21) years after the death of the last survivor of the Trustor's issue living on the date of this instrument. The principal and undistributed income of a terminated Trust shall be distributed to the then income beneficiaries of that Trust in the same proportion that the beneficiaries are entitled to receive income when the Trust terminates. If at the time of this termination the rights to income are not fixed by the terms of the Trust, distribution under this clause shall be made, by right of representation, to those persons who are then entitled or authorized, in the Trustee's discretion, to receive distributions from the Trust.

## IX. NAME OF TRUST

The Trust created in this instrument may be referred to as the



Bonnie Ann Souchak Living Trust, and each separate trust created in this instrument may be referred to by adding the name of the beneficiary or the designation of that separate trust as it appears in this instrument.

## X. EXECUTION

I certify that I have read the foregoing Second Amendment to the Bonnie Ann Souchak Living Trust, which is an amendment of the Bonnie Ann Souchak Living Trust dated October 14, 1980 in its entirety, and that it correctly states the terms and conditions under which the Trust Estate is to be held, administered, and distributed. As Trustor and Trustee of the Bonnie Ann Souchak Living Trust dated October 14, 1980, I approve the Second Amendment to the Bonnie Ann Souchak Living Trust in all particulars and agree to be bound by its terms and conditions.

Executed at Monterey, California, on June 10, 2004.

  
BONNIE ANN SOUCHAK  
Trustor

  
BONNIE ANN SOUCHAK  
Trustee

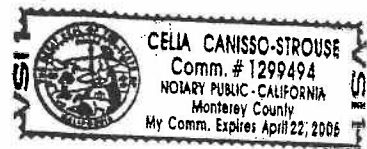
STATE OF CALIFORNIA     )  
                                      ) ss.  
COUNTY OF MONTEREY     )

On June 10, 2004, before me, the undersigned Notary Public for the State of California, personally appeared BONNIE ANN SOUCHAK, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacities, and that by her signatures on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

*Celia Canisso-Strouse*



## SCHEDULE "A"

BONNIE ANN SOUCHAK, as Trustor of The Bonnie Ann Souchak Living Trust dated October 14, 1980, as amended, hereby delivers, assigns, transfers, and grants to the Bonnie Ann Souchak Living Trust, as amended, the following assets:

1. All tangible personal property of the Trustor, including, but not limited to, furniture, furnishings, silverware, objects of art, china, clothing, jewelry, sporting equipment, automobiles, books, and other articles of tangible personal property normally kept at Trustor's residence, along with any insurance policies thereon and any proceeds of such policies.
2. All of Trustor's funds on deposit in banks and other savings institutions held in the name of Trustor, including but not limited to checking accounts, savings accounts, savings certificates, money market funds, and certificates of deposit.
3. All other tangible and intangible personal property owned by Trustor, including partnership interests, cash in bank accounts, stocks and bonds, other investment assets, refund entitlements, and any other claims of any nature, which Trustor owns or in which Trustor may have or hold any beneficial interest, and all real property held in Trustor's name or in which Trustor has any interest, or held by any agent or nominee of Trustor, whether the property is now known to Trustor or is hereafter discovered or acquired.

Date: 6/10/04

  
BONNIE ANN SOUCHAK  
Trustor

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

President's Office

College Area

New Business Agenda Item No. N

### Proposal:

That the Governing Board receive the annual report for 2010-11 from the Citizens' Bond Oversight Committee.

### Background:

In the November 5, 2002 election, the district conducted a bond election under Proposition 39 regulations and was successful in obtaining the requisite 55% voter approval to issue general obligation bonds in the amount of \$145,000,000 for facility projects. Education Code 15278 required the district to establish a citizen's oversight committee to satisfy the accountability requirements of Proposition 39.

The Bylaws of the Citizens' Bond Oversight Committee state that the committee shall present an annual written report to the Board of Trustees in public session. Per the Bylaws, the annual report includes a statement regarding the District's compliance with Proposition 39 accountability requirements as well as a summary of the committee's activities for the year. In addition, the annual report provides a comprehensive summary of projects in the bond program, completed, underway, or planned for the future.

At their November 7, 2011 meeting, the Citizens' Bond Oversight Committee took action to approve the attached annual report for 2010-11. Ms. Daphne Hodgson, Chair of the committee, will present the report to the Board.

### Budgetary Implications:

None.

☒ **Information Only:** Citizens' Bond Oversight Committee Annual Report for 2010-11

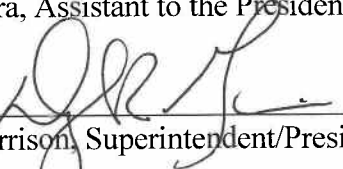
**Recommended By:**

  
Douglas R. Garrison, Superintendent/President

**Prepared By:**

  
Vicki Nakamura, Assistant to the President

**Agenda Approval:**

  
Douglas R. Garrison, Superintendent/President

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. O

Superintendent/President  
College Area

### Proposal:

That the Governing Board will review a proposed list of Board Study Sessions for 2012.

### Background:

The Monterey Peninsula Community College District Board Policy 1008 Governing Board Orientation and Development articulates the intent to orient new members of the Board and provide for on-going development for all Board members. The ACCJC accreditation standards also require this development. In December 2011, two new members of the Board will be seated. They will be provided necessary information to understand college operations and will be encouraged to participate in Board development activities sponsored by the Community College League of California and the Monterey County Office of Education. In addition, a list of proposed Board Study Sessions has been developed for Board review to ensure inclusion of appropriate topics. These topics will be addressed over time in 2012. The list below does not reflect any priority order.

Proposed list of Board Study Sessions for 2012:

- Understanding Budget Development/Management/Audit
- Shared Governance and Collective Bargaining
- Facilities Planning and the CBOC
- Accountability Reports – Accreditation/ARCCC/IPEDS/Mandated Reports
- MPCCD Demographics and Multi-Site Vision
- MPC Planning and Resource Allocation Process
- Educational Master Planning and Enrollment Management

### Budgetary Implications:

None.



**INFORMATION:** Proposed list of Board Study Sessions for 2012.

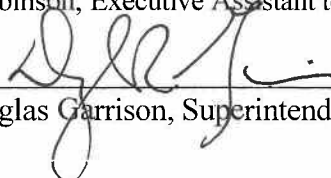
**Recommended By:** Dr. Douglas Garrison, Superintendent/President

**Prepared By:**



Carla Robinson, Executive Assistant to Superintendent/President and Governing Board

**Agenda Approval:**



Dr. Douglas Garrison, Superintendent/President

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. P

Superintendent/President

College Area

### Proposal:

Review results of the Monterey Peninsula Community College District Governing Board Self Evaluation Survey.

### Background:

As a part of Monterey Peninsula College's ongoing commitment to continuous improvement, the MPCCD Governing Board adopted Board Policy 1009 Self Evaluation, which calls for an annual self evaluation and development of Board goals. In preparation for that process, Trustees Loren Steck and Charles Brown served on the Board Policy Subcommittee that developed the self-evaluation survey, which has been implemented with the assistance of Dr. Rosaleen Ryan, Director of Institutional Research. The survey has been provided to the members of the Board, college staff who have interactions with the Board, and representatives of the communities we serve. In November 2010 the Governing Board adopted goals for 2010-2011, which provide a context for the current self-evaluation. After discussion of the self evaluation results, the Board Subcommittee will collaborate with the Superintendent/President to develop Board goals for 2011-2012, which will be presented for Board review and action at the December 2011 meeting.

### MONTEREY PENINSULA COLLEGE GOVERNING BOARD GOALS FOR 2010-2011

1. Develop more effective communication with constituents.
2. Develop study sessions to increase board knowledge concerning critical issues facing the college.
3. Continue to be knowledgeable about the actions taken by the college concerning student learning outcomes (SLO's).
4. Continue to be knowledgeable about the actions taken by the college concerning distance learning.

### Budgetary Implications:

No direct budgetary impact is anticipated.

☒ **INFORMATION:** Review results of the MPCCD Governing Board Self Evaluation Survey.

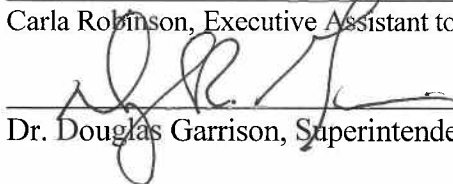
**Recommended By:** Dr. Douglas Garrison, Superintendent/President

**Prepared By:**



Carla Robinson, Executive Assistant to Superintendent/President and Governing Board

**Agenda Approval:**



Dr. Douglas Garrison, Superintendent/President

# Monterey Peninsula Community College District

## Governing Board Agenda

November 22, 2011

New Business Agenda Item No. Q

Superintendent/President  
College Area

### Proposal:

To review the attached Calendar of Events.

### Background:

The Trustees request that the Calendar of Events be placed on each regular Governing Board meeting agenda for review and that volunteer assignments be made so that the Trustees become more visible on campus.

Trustees will attend meetings as observers and will not represent the Board's view on issues/topics.

### Budgetary Implications:

None.

☒ **INFORMATION:** Calendar of Events.

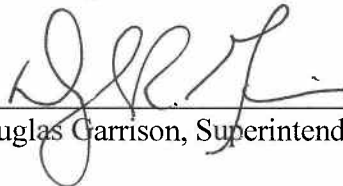
**Recommended By:** Dr. Douglas Garrison, Superintendent/President

**Prepared By:**



Carla Robinson, Executive Assistant to Superintendent/President and Governing Board

**Agenda Approval:**



Dr. Douglas Garrison, Superintendent/President



## MPC Board of Trustees Calendar of Events 2011-2012

### NOVEMBER, 2011

Tuesday, November 22 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room  
Thur-Fri-Sat, Nov. 24-26 Thanksgiving Holiday

### DECEMBER, 2011

**Wednesday, December 7 Annual Administrator Reception, 11:30am-1:00pm, Admin Lobby**  
Tuesday, December 13 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room  
and 3:00pm Annual Organizing Governing Board Meeting  
**Tuesday, December 13 Trustee Reception, LaMirada Museum, 4:30pm**  
Thursday, December 15 Fire Academy Graduation, Inspection 3:30pm, CSUMB Ballroom  
Thur-Fri, December 15-16 Semester Ends Thursday; Flex Day on Friday, December 16  
Fri-Mon, Dec. 23-Jan 2 Winter Holiday Break

### JANUARY, 2012

Monday, January 16 Martin Luther King Day  
Tuesday, January 24 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room  
**Wed-Thur, Jan. 25-26 Flex Day Presentations, 8:30am-4:30pm, LF103**  
Monday, January 30 First Day of Spring Semester

### FEBRUARY, 2012

Fri-Mon, February 17 & 20 Lincoln Day Observance and Washington's Day  
Tuesday, February 28 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room

### MARCH, 2012

**Monday, March 12 Lobo Hall of Fame, tba**  
Mon-Fri, March 26-31 Spring Recess and Cesar Chavez Commemoration March 31  
Tuesday, March 20 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room

### APRIL, 2012

Tuesday, April ASMPAC Spring Faculty/Staff Appreciation Lunch, (\$5 non-students)  
Tuesday, April 24 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room

### MAY, 2012

Friday, May 4 6<sup>th</sup> Annual President's Address to the Community, Monterey Conf Ctr  
**May 16 MPC Scholarship Awards, 3:00pm, tba**  
Tuesday, May 22 Regular Board Meeting, 1:30pm, Closed Session, Stutzman Room  
Monday, May 28 Memorial Day

### JUNE, 2012

**Saturday, June 2 Commencement**